

MEETING: 9 DECEMBER 2021

MINUTES OF PREVIOUS MEETING

Minutes of the 484th meeting of the Accounts Commission held via online meeting on Thursday 11 November 2021, at 9.30am.

PRESENT: Elma Murray (Interim Chair)
 Andrew Burns
 Andrew Cowie
 Sophie Flemig
 Sheila Gunn
 Tim McKay
 Stephen Moore
 Sharon O'Connor
 Pauline Weetman (items 1 to 10 only)
 Geraldine Wooley

IN ATTENDANCE: Paul Reilly, Secretary to the Accounts Commission
 Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)
 Anne Cairns, Manager, PABV (Item 13)
 Angela Canning, Audit Director, PABV (Item 13)
 Simon Ebbett, Head of Communications and Public Affairs (Item 5 and 12)
 Carole Grant, Audit Director, Audit Services (Item 6)
 Fiona Kordiak, Director, Audit Services (Item 13)
 Tricia Meldrum, Senior Manager, PABV (Item 11)
 David Robertson, Digital Services Manager (Item 15)
 David Sim, Benefit Performance Auditor, Audit Services (Item 6)

Item Subject

1. Apologies for absence
2. Declarations of interest
3. Order of business
4. Minutes of meeting of 7 October 2021
5. Draft Communications and Engagement Strategy
6. Housing benefit performance audit annual review
7. Secretary's update report
8. Interim Chair's update report
9. Interim Controller of Audit update report
10. Any other business
11. Consultation: The replacement of the Scottish Qualifications Agency and the reform of Education Scotland – draft response (in private)
12. Audit Scotland website: e-hubs (in private)
13. The National Fraud Initiative (in private)
14. Best Value Working Group update (in private)
15. Digital update (in private)
16. Any other private business (in private)

1. Apologies for absence

It was noted that apologies for absence had been received from Christine Lester.

2. Declarations of interest

The following declarations of interest were made:

- Sophie Flemig, in item 11, as an employee of Cattanach.
- Elma Murray, in item 11, as a member (in her capacity as Chair of Young Scot and Deputy Chair of the Developing the Young Workforce Employers Forum) of the Reform of Scottish Qualifications Authority and Education Scotland Practitioner and Stakeholder Advisory Group. Ms Murray removed herself from the meeting during consideration of this item (Tim McKay, Deputy Chair, assumed the chair for the item).

3. Order of business

It was agreed that the following items be considered in private:

- Item 5, as it may have required the Commission to consider confidential policy matters.
- Item 8 (third bullet point of paragraph 4 only), as it may have required the Commission to consider confidential policy matters.
- Item 11, as it proposed a response to a consultation exercise which the Commission is to consider before publishing.
- Item 12, as it may have required the Commission to consider confidential policy matters.
- Item 13, as it may have required the Commission to consider confidential policy matters.
- Item 14, as it may have required the Commission to consider confidential commercial and contractual matters.
- Item 15, as it may have required the Commission to consider confidential policy matters.

The Interim Chair advised that there was no business for item 16.

4. Minutes of meeting of 7 October 2021

The minutes of the meeting of 7 October 2021 were approved as a correct record.

Arising therefrom, the Commission:

- In relation to item 7 (second bullet point), noted advice from the Interim Controller of Audit that he would be discussing with the Commission Secretary how to assess progress by councils against the 2021 Statutory Performance Information Direction as part of consideration of the dynamic work programme
- In relation to item 7 (third bullet point), noted advice from the Secretary that he would share with members a paper providing an update on the progress of the

first six months of the Commission's Strategic Alliance with the Improvement Service.

- In relation to item 8 (first bullet point), noted advice from the Secretary that he had provided members with the response by Audit Scotland to the consultation by CIPFA on proposed revisions to the Prudential and Treasury Management Codes
- In relation to item 8 (third bullet point), noted advice from the Secretary that he was grateful to members who contributed to the following consultations, both of which had been submitted and shared with members:
 - Scottish Government: its overarching approach to Scotland's first tax framework (response by Audit Scotland on behalf of the Commission)
 - Scottish Government: its review of the National Strategy for Community Justice (response by Audit Scotland on behalf of the Commission).
- In relation to item 13, noted advice from the Interim Director of PABV that a joint response to Scottish Government consultation on a new National Care Service for Scotland had been submitted by the Accounts Commission, Auditor General for Scotland, and Audit Scotland.
- In relation to item 15 (second bullet point), noted advice from the Secretary that this matter was covered in the paper for item 14 of the meeting.
- In relation to item 16 (second bullet point), noted advice from the Secretary that preparations were ongoing for a proposed 'hybrid' meeting of the Commission in January 2022, involving a combination of virtual and online participants.

5. Draft Communications and Engagement Strategy (in private)

This item was discussed in the private session of the meeting (after item 10).

The Commission considered a report by the Head of Communications and Public Affairs providing a draft Accounts Commission communications and engagement strategy for 2021 to 2026.

During discussion, the Commission:

- Noted, in relation to a point raised by Sharon O'Connor, the importance of placing priority on communicating effectively with stakeholders in the Scottish Parliament about the Commission's role and work.

Following discussion, the Commission:

- Agreed that a further draft of the Strategy be provided for further consideration, reflecting the points raised in discussion.

Action: Head of Communications and Public Affairs and Secretary

6. Housing benefit performance audit annual review

The Commission considered a report by the Audit Director, Audit Services providing an update on the outcome of the housing benefit performance audit work for 2020/21 and to seek approval for the proposed 2021/22 work programme and a way forward for the Commission's work in this regard.

During discussion, the Commission:

- Noted advice from Carole Grant, in response to a query from Pauline Weetman on data quality and availability, on the potential scope for a future thematic review on resourcing.
- Noted advice from David Sim, in response to a query from Elma Murray on corporate debt, on the reporting to councils of thematic and related work in this regard as part of the overall programme.

Following discussion, the Commission:

- Agreed to publish an annual update report blog on the Commission website.
- Agreed the proposed housing benefit performance audit work programme.
- Agreed a thematic study on resourcing of the benefit service.
- Noted continuing work on how to reflect the Commission and Auditor General's shared interest in reporting on poverty and inequalities in the context of social security and benefits.
- Noted further in this regard advice from Carole Grant that she would keep the Commission updated on developments.

Actions: Audit Director, Audit Services

7. Secretary's update report

The Commission considered a report by the Secretary providing an update on significant recent activity relating to local government and issues of relevance or interest across the wider public sector.

The Commission noted advice from the Secretary that, in line with the approach agreed with Commission members, members had been given the opportunity to provide queries on the Secretary's report in advance of the meeting, a response to which he would circulate to members.

During discussion, the Commission:

- Noted, in relation to paragraph 7 of the report, advice from Sharon O'Connor on the meeting on 3 November with the Scottish Parliament's Education, Children and Young People Committee at which, alongside the Auditor General, she gave evidence on the *Improving outcomes for young people through school education* performance audit as part of the Committee's pre-budget scrutiny.
- Agreed, in relation to paragraph 24, to respond to the Scottish Government consultation on the next Fire and Rescue Framework for Scotland.

Action: Secretary and Interim Director of PABV

- Agreed, in relation to a point by Stephen Moore in relation to paragraphs 15 and 85, that the response by the Auditor General to the letter from the Parliament's Public Audit Committee, advising of its concern about limited progress having been made in terms of children and young people's mental health, be shared with the Commission.

Action: Secretary

Following discussion, the Commission:

- Agreed not to respond to the consultations highlighted at paragraphs 28, 75 and 79 of the report.
- Noted the report.

8. Interim Chair's update report (considered partly in private)

The Commission considered a report by the Interim Chair providing an update on recent and upcoming activity.

NB The matter in paragraph 4 (third bullet point) was considered in private.

During discussion, the Commission:

- In relation to paragraph 2 (fourth bullet point), noted advice from the Interim Chair to Geraldine Wooley in response to her query about audit work and inequalities.
- In relation to paragraph 4 (third bullet point), it was agreed that emerging messages for the Local Government Overview report be considered at a separate meeting of Commission members taking account of time constraints.

Action: Secretary and Interim Director of PABV

Following discussion, the Commission noted the report.

9. Interim Controller of Audit update report

The Commission considered and noted a report by the Interim Controller of Audit providing an update on recent and upcoming activity.

10. Any other business

The Interim Chair advised that this meeting would be the last meeting of the Commission for Pauline Weetman. She, along with the Deputy Chair, Sheila Gunn and Sophie Flemig, conveyed the best wishes of the Commission to Pauline, and thanked her for her contribution to the Commission's work over her eight-year term of office. In turn, Pauline thanked the members of the Commission for working with her, and also the staff of Audit Scotland for their support to her and the Commission during her term of office

The Interim Chair, having advised that there was no further business for this item, closed the public part of the meeting.

The livestream of the meeting was stopped at this point.

Remembrance Day

At the start of the private session, members undertook two minutes silence to mark Remembrance Day.

11. Consultation: the replacement of the Scottish Qualifications Agency and the reform of Education Scotland – draft response (in private)

Tim McKay, Deputy Chair, assumed the chair for this item.

The Commission considered a report by the Interim Director of PABV proposing a response, made jointly with the Auditor General, to the consultation by Professor Ken Muir on the replacement of the Scottish Qualifications Authority (SQA) and the reform of Education Scotland.

Following discussion, the Commission:

- Agreed the terms of the draft response, subject to the response reflecting points agreed in the discussion.
- Agreed to delegate authority to the Interim Deputy Chair to sign off the final response with the Auditor General.

Actions: Interim Director of PABV

12. Audit Scotland website: e-hubs (in private)

The Commission considered a report by the Interim Director of PABV providing an overview of the approach to e-hubs on Audit Scotland's website.

During discussion, the Commission:

- Noted the potential of developing e-hubs in other subject areas which reflect the Commission's priorities, such as inequalities and community empowerment.
- Noted advice from the Interim Director and Controller of Audit, in response to a query from the Commission Secretary, on the process that he follows when in identifying and reporting good practice in Best Value Assurance Reports.
- Noted advice from the Interim Director, in response to a query from the Commission Secretary, on the arrangements that exist for Commission sponsors to work with audit teams in identifying good practice in performance audit and related work.
- Noted advice from the Head of Communications and Public Affairs, in response to a query from Paul Reilly, that he would be developing an approach to gauging impact and use of the e-hubs, upon which he would report further.

Following discussion, the Commission noted the report and agreed that further updates be provided as appropriate.

13. The National Fraud Initiative

The Commission considered a report by the Director of Audit Services seeking views on some possible extensions to Audit Scotland's data matching powers with respect to the National Fraud Initiative (NFI).

During discussion, the Commission:

- Noted the interest shown by the Scottish Parliament's Public Audit Committee in the matter.
- Noted that any proposals in this regard would be the subject of further formal consultation, and thus further opportunity to set out its position.
- Noted advice from the Director, in response to a query from Geraldine Wooley, about the Public Audit Committee's previously stated interest in using NFI to report on underpayments to claimants.

Following discussion, the Commission agreed that Audit Scotland be asked to reflect, in its correspondence with the Public Audit Committee in this regard, the Commission's position thus:

- To support in principle any proposed extension of Audit Scotland's data matching powers to allow the mandating of other participants such as arm's length external organisations to the NFI.
- To support in principle any proposed extension of Audit Scotland's data matching powers to allow the NFI datasets to be used in the prevention and detection of errors and inaccuracies.
- To note, pending further consultation, any proposed extension of Audit Scotland's data matching powers to allow the NFI datasets to be used to assist in the recovery of debt owing to public bodies.

Actions: Director of Audit Services and Secretary

14. Best Value Working Group update (in private)

The Commission considered a report by the Secretary providing an update on the work of the Best Value Working Group (BVWG) and including some related business by the Commission's Committee Review Sub-Group.

Following discussion, the Commission:

- Note the latest conclusions of the BVWG.
- Endorsed the conclusion of the Committee Review Sub-Group to retain the status of the BVWG as a working group.
- Agreed to retain the current names of the Commission's committees.

Actions: Secretary

15. Digital update (in private)

The Commission considered a report by the Digital Services Manager providing an update on the development of the digital support for the Commission.

Following discussion, the Commission agreed the next steps to develop its digital support, as proposed in the paper.

Actions: Digital Services Manager

16. Any other private business (in private)

The Interim Chair, having advised that there was no business for this item, closed the meeting.

Close of meeting

The meeting closed at 12.55pm.

MEETING: 9 DECEMBER 2021

REPORT BY: SECRETARY TO THE COMMISSION

MINUTES OF MEETINGS OF COMMISSION COMMITTEES OF 25 NOVEMBER 2021

Introduction

1. This paper presents for the Commission's approval the draft minutes of the meetings of the Commission's two committees on 25 November 2021.
2. The Commission is also asked to consider approving the recommendations made by both committees to the Commission, as detailed below.

Minutes

3. The minutes attached are as follows:
 - Financial Audit and Assurance Committee (FAAC) Appendix 1
 - Performance Audit Committee (PAC) Appendix 2
 - Joint meeting of committees Appendix 3
4. The Commission is asked to approve these minutes and consider any matters arising.

Recommendations

5. In approving the minutes of the committees, the Commission is deemed to be endorsing the decisions reached by the committees, subject to approving any specific recommendations.

Financial Audit and Assurance Committee

6. The FAAC agreed to make the following specific recommendations to the Commission:
 - To upgrade the risk rating in relation to Commission support arrangements to amber ('controls in place require close monitoring') (item 6 of the minute).
 - That this matter be considered for inclusion in the forthcoming contingency planning exercise (item 6).
 - To include self-evaluation activity as part of the next Commission Strategy Seminar (item 6).
7. The Commission is asked to consider this recommendation for approval.

Performance Audit Committee

8. The PAC made no specific recommendation to the Commission:

Conclusion

9. The Commission is asked to:

- a) Approve the attached minutes and consider any matters arising.
- b) Agree the FAAC recommendations in paragraph 7.
- c) Note any other updates provided at today's meeting.

Paul Reilly
Secretary to the Commission
26 November 2021

**MINUTES OF MEETING OF FINANCIAL AUDIT AND ASSURANCE COMMITTEE
OF 25 NOVEMBER 2021**

Minutes of meeting of the Financial Audit and Assurance Committee of the Accounts Commission held via online meeting on Thursday 25 November 2021 at 9.15am.

PRESENT: Tim McKay (Chair)
Andrew Cowie
Elma Murray
Sharon O'Connor
Pauline Weetman
Geraldine Wooley

OTHER COMMISSION

MEMBERS IN ATTENDANCE: Christine Lester

IN ATTENDANCE: Paul Reilly, Secretary to the Account Commission
Antony Clark, Interim Controller of Audit
Elaine Boyd, Associate Director, Audit Quality and
Appointments (AQA) (items 8 and 9)
John Cornett, Audit Director, Audit Services (item 4)
Blyth Deans, Audit Manager, PABV (item 7)
John Gilchrist, Manager, AQA (items 8 and 9)
Leigh Johnston, Audit Manager, PABV (item 7)
Fiona Kordiak, Director of Audit Services
Anne MacDonald, Senior Audit Manager, Audit Services
(item 4)
Mark Roberts, Audit Director, PABV (item 7)
Rebecca Seidel, Senior Manager, PABV (item 7)
Owen Smith, Senior Manager, AQA (items 8 and 9)

Item No Subject

1. Apologies for absence
2. Declarations of interest
3. Minutes of meeting of 26 August 2021
4. Current audit issues in councils
5. Intelligence report
6. Risk assessment and implications for the work programme
7. Public sector reform and innovation
8. Audit quality interim report
9. Audit quality framework update 2021
10. Any other business

1. Apologies for absence

It was noted that no apologies had been received.

2. Declarations of interest

No declarations of interest were made.

3. Minutes of meeting of 25 August 2021

The minutes of the meeting of 25 August 2021 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.

Arising therefrom, the Committee agreed:

- To note advice from Geraldine Wooley that she had submitted her apologies for absence from the meeting.
- To note advice from the Interim Controller of Audit that:
 - In relation to paragraph 4 (first bullet point), that the external auditor had concluded investigations into matters relating to the departure of the former Director of Governance from Glasgow City Council, and had reported that no further audit work is required.
 - In relation to paragraph 4 (second bullet point), that the external auditor had concluded investigations into matters relating to press reports about payments from Strathclyde Pension Fund to a deceased person, and had reported that no further audit work is required.
 - Other matters in relation to paragraph 4 (third, fourth, seventh, eighth, ninth and tenth bullet points) were covered in the report in item 4.
- In relation to paragraph 5 (second bullet point), to note that the action is to be allocated to the Associate Director, Audit Quality and Appointments.

Action: Associate Director, Audit Quality and Appointments
- In response to a query from Pauline Weetman, that future current issues reports (i.e., item 4) include clear cross-referencing to previous committee meeting minutes where appropriate, for ease of reference.

Action: Controller of Audit
- To note advice from the Secretary, in response to a query from Tim McKay on paragraph 5 (third bullet point), that the Commission's welcoming of the revisions in ISA (UK) 240 would be reflected in future reporting of related audit work as appropriate.

4. Current audit issues in councils

The Committee considered a report by the Interim Controller of Audit with a summary of emerging issues and recurring themes across local authorities in Scotland.

During discussion, the Committee:

- Noted the highlighting by the Interim Controller of Audit of the point in his report relating to the independent inquiry commissioned by City of Edinburgh Council into (a) matters connected to the death of a council employee and (b) its whistleblowing and organisational culture, that the external auditor continued to

liaise closely with the Council Chief Executive on the conclusions of the inquiry.

- Noted the highlighting by the Interim Controller of Audit of the point in his report relating to matters associated with (a) the lease by Comhairle nan Eilean Siar of Lews Castle and (b) the procurement by Orkney Islands Council of stone from a quarry in Oban, that he intended currently to report on learning points from procurement governance failures in this regard in the Annual Assurance and Risks Report, which will be considered by the Commission in March 2022.
- Agreed further in this regard, following points by Pauline Weetman and Andrew Cowie:
 - To note advice from the Controller of Audit on the rationale used in his decision to include the matter in the Annual Assurance and Risks Report
 - To note meantime the Controller's intentions and to keep the matter under review.
- Agreed further in this regard, in response to a query from Geraldine Wooley, advice from the Controller of Audit that no correspondence from the public on this matter had been received by Audit Scotland to date.
- Noted the highlighting by the Interim Controller of Audit of the point in his report relating to recruitment and salary setting issues in Orkney and Shetland Valuation Joint Board, that the matter is to be reported in the annual audit report of the Joint Board, upon which he would report further at the next meeting of the Committee.
- Noted the highlighting by the Interim Controller of Audit of the point in his report relating to the independent inquiry commissioned by Scottish Borders Council into its handling of school assault allegations, that he will continue to update the Committee on progress in this regard.
- Noted advice from the Interim Controller of Audit, in response to a query from Andrew Cowie, that he would report further as appropriate on issues arising from capacity issues such as that experienced by the corporate finance function in Angus Council.

Action: Interim Controller of Audit

- Noted advice from the Interim Controller of Audit, in response to a query from Andrew Cowie, that the external auditor was closely monitoring matters relating to continuing capacity issues being experienced by Clackmannanshire Council across some service areas.
- Noted advice from the Interim Commission Chair that she was intending raising the matter of council capacity in her forthcoming regular meeting with the Chief Executive of COSLA.
- Noted advice from the Interim Chair on some personnel changes in Scottish local government that she was aware of.

Following discussion, the Committee:

- Noted Pauline Weetman's thanks to Anne MacDonald for her involvement in the drafting of this report in her time as a member of the Committee.
- Noted the report, taking assurance that the auditors' responses detailed in the

report recognises the scope of the risk identified and reflects the impact on planned audit work.

- Agreed in particular not to recommend to the Commission to direct the Interim Controller of Audit on any matters arising.
- Noted that it would consider under item 6 matters and issues arising from this paper which affect either the business risks of the Commission or audit risk (and thus the planned audit response set out in the work programme).

5. Intelligence report

The Committee considered a report by the Secretary providing six-monthly intelligence about councils from: correspondence to Audit Scotland; the Scottish Public Sector Ombudsman; the Standards Commission for Scotland; and the Scottish Information Commissioner.

During discussion, the Committee:

- Noted advice from Pauline Weetman of the value to the Committee of the information in the report from the Audit Scotland correspondence process.
- Noted advice from the Secretary, in response to a query from Tim McKay, that he would provide further information on decisions taken by the Standards Commission in relation to Fife Council.

Action: Secretary

Following discussion, the Committee:

- Noted advice from the Secretary that he would provide in a future report analysis in this regard covering the current elected council term, which comes to an end in May 2022.
- Noted the report.
- Noted that it would consider under item 6 matters and issues arising from this report which affect either the business risks of the Commission or audit risk (and thus the planned audit response set out in the work programme).

Action: Secretary

6. Risk assessment and implications for the work programme

The Committee considered a report by the Secretary providing an update assessment on business and audit risk.

During discussion, the Committee:

- Noted advice from the Interim Controller of Audit, in response to a query from Geraldine Wooley in relation to the Commission business risk on failure to deliver a quality audit, of the importance in the relationship between the Commission's own business risks and those contained in Audit Scotland's risk register.
- Noted, following a point by the Interim Chair, that the Commission has in place a member development process, rather than an appraisal process.
- Noted advice from the Committee Chair that he would give further thought to how the Committee could increase its effectiveness of monitoring business and audit risk.

- Agreed, following a point by Andrew Cowie, to recommend to the Commission to upgrade the risk rating in relation to Commission support arrangements to amber ('controls in place require close monitoring').
- Agreed further in this regard to recommend to the Commission that this matter be considered for inclusion in the forthcoming contingency planning exercise.

Action: Secretary

- Agreed, following a point by Andrew Cowie, to recommend to the Commission to include self-evaluation activity as part of the next Commission Strategy Seminar.

Action: Secretary

Following discussion, the Committee:

- Agreed the assessment of the controls in place in relation to business risk, subject to revisions agreed in discussion.

Action: Secretary

- Agreed the assessment of the audit response in place in relation to audit risk.
- Agreed that there was no specific action required to inform the next refresh of the work programme at the Commission's December meeting.

7. Public sector reform and innovation

This item was subject of a joint meeting with the Performance Audit Committee and is contained in a separate minute.

8. Audit quality interim report

This item was subject of a joint meeting with the Performance Audit Committee and is contained in a separate minute.

9. Audit quality framework update 2021

This item was subject of a joint meeting with the Performance Audit Committee and is contained in a separate minute.

10. Any other business

The Committee Chair, having advised that there was no business for this item, closed the meeting.

11. Close of meeting

The meeting finished at 11.00am.

**MINUTES OF MEETING OF PERFORMANCE AUDIT COMMITTEE
OF 25 NOVEMBER 2021**

Minutes of meeting of the Performance Audit Committee of the Accounts Commission held via online meeting on Thursday 25 November 2021, at 12.35pm.

PRESENT: Christine Lester (Chair)
Andrew Burns
Sophie Flemig
Tim McKay
Elma Murray

IN ATTENDANCE: Paul Reilly, Secretary to the Commission
Antony Clark, Interim Director of Performance Audit and Best Value (PABV)
Elaine Boyd, Associate Director, Audit Quality and Appointments (AQA) (items 8 and 9)
Angela Canning, Audit Director, PABV (Item 5)
Blyth Deans, Audit Manager, PABV (item 7)
John Gilchrist, Manager, AQA (items 8 and 9)
Leigh Johnston, Audit Manager, PABV (item 7)
Ashleigh Madjitey, Audit Manager, PABV (Item 5)
Jillian Matthew, Senior Manager, PABV (Item 5)
Richard Robinson, Senior Manager, PABV (Item 4)
Mark Roberts, Audit Director, PABV (item 7)
Rebecca Seidel, Senior Manager, PABV (item 7)
Owen Smith, Senior Manager, AQA (items 8 and 9)

<u>Item no.</u>	<u>Subject</u>
1.	Apologies for absence
2.	Declarations of interest
3.	Minutes of meeting of 26 August 2021
4.	Performance audit - Scotland's financial response to the Covid-19
5.	Proposed publication: drug and alcohol services
6.	Risk assessment and implications for the work programme
7.	Public sector reform and innovation
8.	Audit quality interim report
9.	Audit quality framework update 2021
10.	Any other business

1. Apologies for absence

It was noted that no apologies had been received.

2. Declarations of interest

No declarations of interest were made.

3. Minutes of meeting of 26 August 2021

The minutes of the meeting of 26 August 2021 were noted, the Commission having previously approved them as a correct record and agreed the recommendations therein.

4. Performance audit - Scotland's financial response to the Covid-19

The Committee considered a report by the Interim Director of PABV seeking the Committee's ratification of the scope of the joint Auditor General for Scotland and Accounts Commission performance audit on Scotland's financial response to Covid-19.

During discussion, the Committee agreed:

- To note advice from the Interim Director on the possibility of further flexibility being required in the reporting timeline, upon which he would report further to the Commission if required.

Following discussion, the Committee agreed:

- Ratify the scope and accompanying issues and investigation matrix of the joint performance audit *Scotland's financial response to Covid-19*, subject to the audit team, in conjunction with the sponsors Sophie Flemig and Sheila Gunn, addressing points raised in discussion.
Action: Interim Director of PABV
- To note the current expectation that the emerging messages and the draft report will be considered by the Commission in February and March 2022 respectively.

5. Proposed publication: drug and alcohol services

The Committee considered a report by the Interim Director of PABV proposing a scope for a publication on drug and alcohol services.

Following discussion, the Committee

- Agreed to identify another sponsor to work alongside Christine Lester.
Action: Secretary
- Approved the proposed scope, subject to the audit team in conjunction with the sponsors addressing points raised in discussion.
- Agreed the proposed approach and timescales for a web-based publication.

6. Risk assessment and implications for the work programme

The Committee considered a report by the Secretary providing an update assessment on business and audit risk.

During discussion, the Committee:

- Noted advice from the Committee Chair on the conclusions reached by the Financial Audit and Assurance Committee on a similar paper at its earlier meeting.
- Noted, following a point by the Interim Chair, that the Commission has in place a member development process, rather than an appraisal process.
- Noted advice from the Secretary, in response to a query from Sophie Flemig, about the critical importance of the need to monitor the controls in place for risks assessed as amber.

Following discussion, the Committee:

- Agreed the assessment of the controls in place in relation to business risk.
- Agreed the assessment of the audit response in place in relation to audit risk.
- Agreed that there was no specific action required to inform the next refresh of the work programme at the Commission's December meeting.

7. Public sector reform and innovation

This item was subject of a joint meeting with the Financial Audit and Assurance Committee and is contained in a separate minute.

8. Audit quality interim report

This item was subject of a joint meeting with the Financial Audit and Assurance Committee and is contained in a separate minute.

9. Audit quality framework update 2021

This item was subject of a joint meeting with the Financial Audit and Assurance Committee and is contained in a separate minute.

10. Any other business

The Committee Chair advised of her interest in considering how the Commission responds on matters relating to refugees. Advice was noted from the Commission Interim Chair in response that this matter could be considered as part of the paper on policy governance to be discussed at a private member forum meeting.

The Committee Chair having advised that there was no business for this item, closed the meeting.

11. Close of meeting

The meeting finished at 2.00pm.

**MINUTES OF JOINT MEETING OF COMMISSION COMMITTEES
OF 25 NOVEMBER 2021**

Minutes of a joint meeting of the Financial Audit and Assurance Committee and Performance Audit committees of the Accounts Commission held via online meeting on Thursday 25 November 2021 at 11.05am.

PRESENT: Tim McKay (in the chair)
Andrew Burns
Andy Cowie
Sophie Flemig
Sheila Gunn
Christine Lester
Stephen Moore
Elma Murray
Sharon O'Connor
Geraldine Wooley

IN ATTENDANCE: Antony Clark, Interim Controller of Audit and Director of Performance Audit and Best Value (PABV)
Fiona Kordiak, Director of Audit Services
Elaine Boyd, Associate Director, Audit Quality and Appointments (AQA) (items 2 and 3)
Blyth Deans, Audit Manager, PABV (item 1)
John Gilchrist, Manager, AQA (items 2 and 3)
Leigh Johnston, Audit Manager, PABV (item 1)
Mark Roberts, Audit Director, PABV (item 1)
Rebecca Seidel, Senior Manager, PABV (item 1)
Owen Smith, Senior Manager, AQA (items 2 and 3)

<u>Item No</u>	<u>Subject</u>
1.	Public sector reform and innovation
2.	Audit quality interim report
3.	Audit quality framework update 2021

These item numbers are different from the item numbers on the agendas of both committees.

1. Public sector reform and innovation

The committees considered a report by the Interim Director of PABV as a basis for a discussion about the progress and extent of public sector reform and innovation and the role that audit might play in promoting these.

During discussion:

- The committees noted areas of further work and thinking by the Commission to develop the role of audit in:
 - promoting greater cross cross-organisational working and collaborative leadership
 - encouraging more innovation and risk-taking and involving more people in reform processes
 - shifting the debate away from structural changes to reform of how public services are delivered.
- The committees noted advice from the Commission Interim Chair on a private roundtable session that she and the Interim Deputy Chair had with council chief executives.

Following discussion, the committees agreed that the points raised in the discussion be reflected in further thinking around, and development of, of the work programme.

Action: Interim Director of PABV

2. Audit quality interim report

The committees considered a report by the Associate Director of Audit Quality and Appointments (AQA) presenting the Audit Quality Interim Report which summarised the results of AQA's work from 1 April 2021 to 30 September 2021 on the quality of audit planning.

During discussion, the committees:

- Noted advice from the Director of Audit Services and the Associate Director, in response to a query from Tim McKay, in relation to some auditors not using the provided planning template and thus not including Best Value related work in their audit plans.
- Noted advice from Sheila Gunn on feedback from representatives of South Ayrshire Council on the audit process from the recent private meeting with the Council on the recently published Best Value Assurance Report on the Council.
- Noted advice from the Director of Audit Services and the Associate Director, in response to a query from Sheila Gunn, on the difficulties in training new auditors during pandemic restrictions.
- Noted advice from the Associate Director, in response to a point made by Geraldine Wooley, that matters around remotely conducted audit work, including stakeholder and auditor feedback, will feature in the *Quality of Public Audit in Scotland* report, the draft of which will be considered by the Commission in May 2022.

Following discussion, the committees agreed to:

- Endorse the conclusion of the Associate Director that her report provides assurance that appointed auditors are preparing high quality audit plans and confirms that there has been considerable improvement in audit plans since the introduction of the Audit Quality Framework in 2017.
- Note other conclusions in the report, namely:
 - The failure of some auditors to comply with the 2021 guidance on planning the audit in respect of including their best value responsibilities in non-council local government body annual audit plans
 - The progress made with and final position on two Risk of Material Misstatements
 - The progress made by Audit Scotland in response to the issues raised in *Quality of Public Audit in Scotland 2021* report
 - The comments and focus of the Financial Reporting Council relating to audit quality in general and specifically on audit documentation.

3. Audit quality framework update

The committees considered a report by the Associate Director of AQA advising of a planned review of the Audit Quality Framework (AQF)

Following discussion, the committees agreed to:

- Endorse the current thinking of AQA on proposed changes to quality reporting for the AQF.
- Note the planned review of AQF during 2022, to align with new audit appointments and 2021 Code of Audit Practice, including further consultation with the Commission and with a view to presenting a draft revised AQF to the Commission in November 2022.

Close of meeting

The joint meeting of the committees closed at 12.20pm.

MEETING: 9 DECEMBER 2021

REPORT BY: SECRETARY TO THE COMMISSION

AUDIT SCOTLAND BOARD UPDATE

Purpose

1. This report provides an update on the business of the Audit Scotland Board.

Background

2. Audit Scotland is established in statute to “provide such assistance and support as the Auditor General and the Accounts Commission require in the exercise of their respective functions and, in particular, is to provide them, or ensure that they are provided, with the property, staff and services which they require for the exercise of those functions”.¹
3. Audit Scotland (i.e. its Board) consists of the Auditor General, the Chair of the Commission, and three other members.² These three members, including a Chair, are appointed by the Scottish Commission for Public Audit.³
4. As well as being a member of Audit Scotland’s Board, the Commission Chair is also a member of its two committees, the Audit Committee and the Human Resources and Remuneration Committee.
5. In [Public Audit in Scotland](#)⁴, the Commission, the Auditor General and Audit Scotland set out how they together deliver public audit in Scotland. They state that “by working together and each fulfilling our distinct roles, the Auditor General, the Accounts Commission and Audit Scotland will ensure a strong system of public audit works to support transparency and promote improvement in the performance of public bodies.”
6. To this end, the Commission at its meetings considers for its interest the business of Audit Scotland Board.

Current Board business

7. This report provides the Commission with the latest available minutes from the meetings of the Audit Scotland Board, in this case the meeting of 22 September 2021. They are attached in Appendix 1.
8. The most recent meeting of the Board was on 22 November 2021, but the minutes of this meeting are not yet publicly available as they are yet to be ratified by the Board. These will be available after the next Board meeting on 26 January 2022 and considered by the Commission at its February meeting.

¹ Public Finance and Accountability (Scotland) Act 2000, Section 10(3).

² Public Finance and Accountability (Scotland) Act 2000, Section 10(2).

³ The Scottish Commission for Public Audit was established under Section 12 of the Public Finance and Accountability (Scotland) Act 2000 and is made up of 5 MSPs. Its main areas of responsibility are to (a) examine Audit Scotland’s proposals for the use of resources and expenditure and report on them to the Parliament; (b) appoint an auditor to audit the accounts of Audit Scotland; (c) lay these accounts and auditor’s report before the Parliament; and (d) appoint three of the five members of Audit Scotland’s Board, including its Chair.

⁴ *Public Audit in Scotland*, Accounts Commission, Auditor General and Audit Scotland, May 2015.

9. The Commission has agreed however that the agenda for the most recent Board meeting be provided (even if the minute is not yet available). The agenda is attached in Appendix 2. The Interim Chair will provide a verbal update on any relevant business for members' interest and invites questions from members to this end.

Conclusion

10. The Commission is invited to consider this update for its interest and seek further information from the Interim Chair as appropriate.

Paul Reilly
Secretary to the Commission
1 December 2021

Minutes Board

Wednesday 22 September 2021, 10.00am
Audit Scotland by Video conference

Present:

Alan Alexander (Chair)
Stephen Boyle
Elma Murray
Jackie Mann
Colin Crosby

Apologies:

There were no apologies.

In attendance:

Diane McGiffen, Chief Operating Officer
Martin Walker, Associate Director, Corporate Performance and Risk
Stuart Dennis, Corporate Finance Manager
Gayle Fitzpatrick, Corporate Governance Manager
David Robertson, Digital Services Manager
Elaine Boyd, Associate Director, Audit Quality and Appointments
John Gilchrist, Manager, Audit Quality and Appointments

1. Private meeting of Board members

The Board met privately and there were no matters arising.

2. Welcome and apologies

Diane McGiffen, Chief Operating Officer, Martin Walker, Associate Director, Corporate Performance and Risk, Stuart Dennis, Corporate Finance Officer, Gayle Fitzpatrick, Corporate Governance Manager, joined the meeting.

The Chair welcomed attendees to the meeting and noted there were no apologies.

3. Declarations of interest

There were no declarations of interest.

4. Items to be taken in private

The Chair invited members to agree that the reports at items 22, 23, 24, 25 and 26 of the agenda be considered in private based on the reasons set out on the agenda.
The Board agreed.

The Chair advised that the review of the Human Resources and Remuneration Committee minutes at item 8 would also be considered in private.

5. Chair's report – verbal update

The Chair advised members of the first meeting with the Scottish Commission for Public Audit (SCPA) held on 1 September 2021 which considered Audit Scotland's 2020/21 Annual report and accounts.

The Chair invited members to note the evidence session he had attended with the Public Audit Committee of the Northern Ireland Assembly on 7 July 2021.

The Chair highlighted his attendance at the colleagues' drop-in session on Audit Scotland's approach to hybrid working as we emerge from the pandemic and the keynote session led by the Auditor General for Scotland and the Interim Chair of the Accounts Commission with Professor James Mitchell of Edinburgh University on 19 August 2021.

The Chair expressed his thanks to Colin Crosby, the Chair of Audit Scotland's Audit Committee and members for their respective contributions to the Risk Workshop held on 30 August 2021.

The Chair invited members to note that, following the Audit Committee meeting on 1 September 2021, he had received a briefing and update from Elaine Boyd, Associate Director and the Audit Quality and the Appointments (AQA) team on progress of the improvements required for Audit Quality and advised he was satisfied the areas are being addressed. Members noted the Chair will receive regular updates from the AQA team as matters progress.

The Chair recorded his and the Board's congratulations and thanks to the AQA team following the successful issue of the ITT for the procurement of new audit appointments on 6 September 2021.

The Chair informed members of regular meetings with Stephen Boyle, Auditor General for Scotland and Accountable Officer, Elma Murray, Interim Chair of the Accounts Commission and Diane McGiffen, Chief Operating Officer.

The Board welcomed the update.

6. Accountable Officer's report – verbal update

Stephen Boyle invited the Board to note regular engagement with the Chair, Interim Chair of Accounts Commission, a meeting with Jackie Mann and of a forthcoming meeting with Colin Crosby.

Stephen invited members to note his recent internal engagement including How we work sessions with colleagues, co-hosting the keynote session with the Interim Chair of the Accounts Commission and Professor James Mitchell *Tackling inequalities and helping public services recover: What's next for our work?* and of meetings with various teams across the organisation.

Turning to Parliamentary engagement, Stephen invited members to note the significant change in membership to the newly formed committees and advised of introductory meetings with respective Convenors, together with attendance at the Public Audit Committee business planning day on 25 August 2021. He invited members to note the increased responsibilities and scrutiny of public audit across the parliamentary committees.

Stephen advised members that the first formal session with the SCPA on 1 September 2021 had been useful to meet the members and to give evidence on Audit Scotland's Annual report and accounts to 31 March 2021.

Turning to external engagement, Stephen advised of regular engagement with the respective Auditors' General in the UK and Ireland and attendance at the Scottish Learning Festival on 21 September 2021.

Stephen also expressed his gratitude to the Audit Quality and Appointments team on the successful implementation of the ITT procurement for new audit appointments.

The Board welcomed the update.

7. Accounts Commission Chair's report – verbal update

Elma Murray invited the Board to note she had held regular meetings with the Auditor General for Scotland, the Chief Operating Officer and the Interim Controller of Audit.

Elma advised members that the Accounts Commission had used livestreaming to broadcast three of its public meetings since the last Board meeting and members had welcomed Colin Crosby's attendance to observe their meeting on 9 September 2021.

Elma advised that the Accounts Commission has considered two Best Value Audit Reports, and considered the Improvement Service Covid-19 database and the Audit Scotland Covid-19 dashboard. In addition, she advised that the Commission had signed off the Audit Planning Guidance prior to its consultation, agreed the Commission's five year strategy, which is due to be published this week, and held a private session with the Director of the Wellbeing Alliance.

The members noted the Accounts Commission Committees had also considered a range of business including accounting and auditing development, improving the quality of the audit work as well as the Commission's risk management arrangements, risk register and a thematic discussion on inequalities.

The Board also noted that, at the Mid-Year Strategy session, the Commission had considered its strategy in more detail, considered the increasing demands on members and how to improve efficiency and the most effective use of members' time.

Elma invited the Board to note that the Best Value Working Group had also met to consider progress on the approach to auditing Best Value for Integrated Joint Boards and expressed her thanks to Antony Clark, Interim Controller of Audit, for leading the team in this work.

Elma highlighted recent publications including the Best Value Audit Report for Aberdeen City Council, a recent blog on Digital Exclusion by the Deputy Chair and highlighted responses to a number of consultations including the Minimum Income Guarantee, Ethical Standards Commission's Strategic Plan and BEIS Department for Business and Enterprise Audit proposals and regulations. Elma invited members to note that the Commission will be publishing the Best Value Audit Report for East Dunbartonshire Council, a Christie blog and interviews with Improvement Service in the coming weeks.

Elma invited members to note her attendance at the evidence session with the Local Government Housing Planning Committee together with introductory meetings with the respective Convenors of this and the Finance and Public Administration Committees.

The Board noted Elma had attended a Covid Recovery Roundtable session hosted by the Deputy First Minister on Sustainable Employment and noted Elma's membership of the Education Reform Stakeholder Group.

Elma advised the Strategic Scrutiny Group had heard from Adam Lang of Nesta about risk and innovation and considered a stocktake on powers in relation to the planned introduction of a new Human Rights Bill. The Board also noted Elma had attended a roundtable with the Scottish Human Rights Committee and scrutiny partners.

Elma invited the Board to note other engagement included meetings with Robert Scott, Chief Fire Inspector, the Strategic Alliance, with Improvement Service and the third Sector, attendance at a third Sector Symposium on the National Care Service and engagement with the Scottish Government on the Public Service Reform and with the new Director for Local Government.

The Board welcomed the update.

8. Review of minutes

Board meeting: 2 June 2021

The Board considered the minutes of the meeting of 2 June 2021, which had been previously circulated.

The Board approved the minutes as an accurate record of the meeting.

Human Resources and Remuneration Committee: 3 March 2021 (considered in the private section of the Board meeting)

The Board noted the minutes of the Human Resources and Remuneration Committee meeting of 3 March 2021, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

Audit Committee: 12 May 2021

The Board noted the minutes of the Audit Committee meeting of 12 May 2021, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

Audit Committee: 2 June 2021

The Board noted the minutes of the Audit Committee meeting of 2 June 2021, which had been previously circulated.

The Board noted the minutes were an accurate record of the meeting.

9. Review of action tracker

The Board noted the updates provided on the action tracker.

10. Covid-19 update

Martin Walker introduced the Covid-19 update report, copies of which had been previously circulated.

Martin invited the Board to note the actions taken to date in response to the Covid-19 pandemic, the ongoing developments, and next steps.

During discussion, the Board reflected on the substantial assurance received from Audit Scotland's internal auditor, BDO, on our Covid-19, Health, Safety and Wellbeing response and welcomed the video walkthrough of Audit Scotland's offices which had been made available to all colleagues. The Board members recorded their appreciation of the Business Support Team in supporting this work.

The members welcomed the overall approach and agreed to keep under review the ability to hold future Board meetings in person.

Following discussion, the Board welcomed the update and noted the actions taken to date in response to the Covid-19 pandemic, the ongoing actions and the next steps.

11. Strategic Improvement Programme update

Martin Walker introduced the Strategic Improvement Programme update report, copies of which had been previously circulated.

Martin invited the Board to note the progress reported and next steps.

During discussion, the Board considered the update provided under Delivering World Class Audit and welcomed assurance that in relation to the Digital Audit strategy a robust application of options criteria would be applied in considering whether to 'build or buy' IT systems.

Turning to Being a World Class Organisation, the members highlighted risks around the ability to build capacity as part of Phase 2 of the Building Capacity project in light of scarcer resources for digital or specialist roles in the marketplace. The Board welcomed the proposal to create investigatory capacity in the organisation and were assured of the approach being adopted to attract new employees during this phase.

Following discussion, the Board welcomed the progress reported and next steps.

12. Q1 Financial performance report

Stuart Dennis introduced the Q1 Financial performance report, copies of which had been previously circulated.

Stuart invited the Board to note the financial results for the three months to 30 June 2021 which had been scrutinised by the Audit Committee at its meeting on 1 September 2021.

The Chair invited any comments or queries on the comprehensive report and there being none, the Board noted the financial results for Q1 to 30 June 2021.

13. Q1 Corporate performance report

Martin Walker introduced the Q1 Corporate performance report, copies of which had been previously circulated.

Martin invited the Board to review the performance in quarter one and consider whether any additional management action is required.

During detailed discussion, the Board noted the overall strong performance reported, reflected on the external Delivering World Class Public Audit and internal Being a World Class Organisation areas, recognising these are complimentary corporate objectives.

The Board noted the overall level of communications activity reported and agreed they would like to understand how Audit Scotland can measure the impact and success of social media engagement with the public. The Chair agreed to invite the Communications Manager to comment by way of correspondence.

The members considered the performance dashboard in relation to lower examination pass rates by trainees and received clarification that this is slightly lower when compared to other organisations with work underway to understand the root causes, while recognising the significance of the issues and the small size of the sample. An update will be included in the next corporate performance report scheduled for November 2021.

The members also considered digital capacity and innovation in response to the Covid-19 pandemic and the challenges arising in delivering the audit. The Board noted there is a mixed picture of digital capability and resilience across the public sector and noted a proposed case study was scheduled for publication which would offer learning points and best practice.

Following discussion, the Board welcomed the update.

ACTION ASB149: The Communications Manager to provide information to the Board on the impact and measurement of social media engagement with the public. (November 2021)

14. Annual review of corporate governance policies

Gayle Fitzpatrick introduced the Annual review of corporate governance policies report, copies of which had been previously circulated.

Gayle invited the Board to consider the current Standing Orders, Financial Regulations and Scheme of Delegation and to approve them for a further year and to consider the revised Codes of Conduct and approve them for a further year.

During discussion, the Board noted that the Audit Committee had recommended the policies for approval following a further review by Management Team which had taken place. Martin Walker invited the Board to note that Management Team considered a review of the Scheme of Delegation and the Financial Regulations on 14 September 2021 and had agreed appropriate provision was contained within the Financial Regulations for any award over £250,000 which is reserved to the Auditor General for Scotland and the Accounts Commission.

The Board noted the update and requested that the Scheme of Delegation be amended to specify the reserved nature of new audit appointments for the avoidance of any doubt.

Following discussion, the Board approved the policies for a further year subject to the agreed amendment with final drafts of the policies to be circulated to members prior to publication.

ACTION ASB150: The Scheme of Delegation to be amended to specify the placing of orders for the New Audit Appointments are reserved to the Auditor General for Scotland and the Accounts Commission. (September 2021)

ACTION ASB151: Final drafts of the policies to be circulated to members prior to publication. (September 2021)

15. Annual policy review of records management policies

Gayle Fitzpatrick introduced the Annual review of records management policies, copies of which had been previously circulated.

Gayle invited the Board to approve Audit Scotland's Records Management Policy for a further year.

The Board considered the proposed minor amendments to the policy and approved Audit Scotland's Records Management Policy for a further year.

16. Annual policy review of Freedom of Information and Environmental Information requests

Gayle Fitzpatrick introduced the Annual policy review of Freedom of Information and Environmental Information requests, copies of which had been previously circulated.

Gayle invited the Board to approve Audit Scotland's Freedom of Information and Environmental Information Policy for a further year.

The Board welcomed recent engagement with colleagues on Audit Scotland's statutory requirements and noted a blog would be shared on International Right to Know Day on 28 September 2021. The members also noted that, while no changes were proposed to the policies at this point, further consideration would be required during the year if any changes were made to the legislation and/or supporting guidance.

Following consideration, the Board approved Audit Scotland's Freedom of Information and Environmental Information Policy for a further year.

17. Information Security Management Policy review

David Robertson introduced the Information Security Management Policy review report, copies of which had been previously circulated.

David invited the Board to consider and approve the proposed amendments to the policy.

Following consideration of the minor amendments proposed, the Board approved the revised Information Security Management policy.

18. Proposed Board and Committee meeting schedule 2022

The Chair invited members to consider the Proposed Board and Committee meeting schedule 2022 report, copies of which had been previously circulated.

Joy Webber provided a verbal update on the proposed meeting dates for the Board and its Committees in 2022.

Following discussion, the Board approved the proposed meeting dates for 2022.

19. Any other business

There was no other business.

20. Review of meeting

The members welcomed the quality, content and comprehensive nature of the reports in supporting helpful and detailed discussion. The Chair thanked everyone for their contributions.

21. Date of next meeting: 22 November 2021

The members noted the next meeting of the Audit Scotland Board is scheduled for 22 November 2021.

Items taken in private

22. New audit appointments update

Elaine Boyd, Associate Director, Audit Quality and Appointments, and John Gilchrist, Manager, joined the meeting.

The Chair introduced the New audit appointments update report, copies of which had been previously circulated.

The Chair invited members to note the publication of the Invitation to Tender for the New audit appointments on 6 September 2021 as scheduled and that preparations for the evaluation process are in progress.

During discussion, the members noted the legal advice sought on the tender process and welcomed the early indications of interest in the tender.

The Board recognised and paid tribute to the support and work by the Audit Quality and Appointments team over the past two and a half years.

Following discussion, the Board noted the report.

Elaine Boyd left the meeting.

23. 2022/23 Draft budget proposal

Stuart Dennis introduced the 2022/23 Draft budget proposal report, copies of which had been previously circulated.

Stuart invited the Board to review and discuss the contents of this report and to approve that the assumptions set out in the proposed expenditure budget be used as a basis to develop the budget proposal to the Scottish Commission for Public Audit.

During discussion, the Board considered the draft expenditure proposal for SCF funding, considered the budget assumptions set out and discussed budgeting implications following the procurement of new audit appointments, the ongoing impact of Covid-19 and new quality standards and inflationary pressures.

The Board noted the proposed business planning meeting with the Scottish Commission for Public Audit which would provide an opportunity to discuss the anticipated demands on Audit Scotland's budget.

The members also noted that the UK budget is anticipated to be announced in October but it is currently unclear when the Scottish budget will be announced. In terms of engagement, the Board supported the request for the Accounts Commission to be briefed on the proposed budget prior to its submission to the SCPA and agreed Diane McGiffen and Elma Murray would discuss this further.

Following discussion, the Board noted the budgeting implications and approved that the proposed budget be used as a basis to develop the SCPA budget proposal report for consideration at the Board meeting on 22 November 2021.

ACTION ASB152: Elma Murray and Diane McGiffen to discuss Accounts Commission engagement on the budget development. (October 2021)

ACTION ASB153: A further report with the draft Budget proposal to be scheduled for the Board. (November 2021)

24. Discussion paper – Medium Term Financial Plan

Stuart Dennis introduced the Medium-Term Financial Plan discussion paper, copies of which had been previously circulated.

Stuart invited the Board to consider the potential financial issues over the next five-year period highlighted in the report that will impact on the new version of the Medium-Term Financial Plan (MTFP) 2022/23 to 2026/27.

The Chair invited consideration of this and the following report together given the links between them.

25. Discussion paper – Future funding and fee arrangements

Stuart Dennis introduced the Future funding and fee arrangements discussion paper, copies of which had been previously circulated.

Stuart invited the Board to use the report to inform high level thinking and discussion on potential options on the future funding arrangements of Audit Scotland.

The Chair welcomed the comprehensive reports which considered together supported a discussion on the range of complex issues to be considered.

During detailed discussion, the Board considered and agreed a number of key areas to explore in order to deliver the future financial strategy and stability for Audit Scotland including: the strategy for the organisation over the next five year period, the anticipated changes in the audit profession; commitment to delivering quality, changes to the way that audit work is carried out; uncertainty around the recovery from the pandemic and other external operating and environmental factors; and recognising the increased scrutiny on and value of delivering world class Public Audit in Scotland.

In addition, the Board agreed to consider possible funding options recognising the lack of flexibility of the current funding model, the limitations of the requirement to

break even in each financial year, options to streamline invoicing and to develop thinking around engagement on these matters with the SCPA.

Following discussion, the Board welcomed the discussion and agreed to a separate strategic session to be scheduled in November 2021.

ACTION ASB154: A discussion on strategic financial planning to be scheduled in November 2021.

26. Audit Committee risk workshop

Martin Walker introduced the Audit Committee risk workshop report, copies of which had been previously circulated.

Martin invited the Board to discuss the key issues arising from the risk workshop session and to note the follow-on actions noted in the report.

The Board considered the summary of the workshop and welcomed the report as a useful resource document which will help to inform future discussions of the Audit Committee and the Board.

Agenda

Monday 22 November 2021 at 10.30am

1. Private meeting of members
 2. Welcome and apologies
 3. Declarations of interest
 4. Items to be taken in private
-

Standing items

- | | |
|--|-----------------|
| 5. Chair's report - verbal update | For information |
| 6. Accountable Officer's report - verbal update | For information |
| 7. Accounts Commission Chair's report - verbal update | For information |
| 8. Review of minutes: | For approval |
| <ul style="list-style-type: none">• Board meeting: 22 September 2021• Audit Committee meeting: 1 September 2021• Remuneration and Human Resources Committee meeting: 12 May 2021 | |
| 9. Review of action tracker | For information |
| 10. Covid-19 update | For information |
-

Strategic priorities

- | | |
|--|-----------------|
| 11. Strategic Improvement Programme update | For information |
|--|-----------------|
-

Business planning, performance and governance

- | | |
|-------------------------------------|-----------------|
| 12. Q2 Financial performance report | For information |
| 13. Q2 Corporate performance report | For information |

Conclusion

- | | |
|---------------------------------|-----------------|
| 14. Any other business | For discussion |
| 15. Review of meeting | For discussion |
| 16. Date of next meeting | For information |

Items to be taken in private

- | | |
|---|----------------|
| 17. 2022/23 Budget proposal
[Item to be taken in private to support the effective conduct of business, commercial sensitivity and intended for future publication] | For approval |
| 18. 2021/22 Spring Budget Revision
[Item to be taken in private to support the effective conduct of business, commercial sensitivity and intended for future publication] | For discussion |
| 19. Scottish Commission for Public Audit update
[Item to be taken in private as intended for future publication] | For approval |
| 20. Draft Audit Scotland International Strategy for 2021-24
[Item to be taken in private as intended for future publication] | For approval |
| 21. Environment, Sustainability and Biodiversity Annual Report 2020/21
[Item to be taken in private as intended for future publication] | For approval |

MEETING: 9 DECEMBER 2021

REPORT BY: SECRETARY TO THE COMMISSION

BEST VALUE ASSURANCE REPORT: FALKIRK COUNCIL

Purpose

1. The purpose of this paper is to introduce for the Commission's consideration the Controller of Audit's Best Value Assurance Report for Falkirk Council.

Background

2. A key objective of the approach to auditing Best Value is to allow the Commission to provide regular assurance to the public about how councils are performing in relation to their Best Value statutory duties. It is intended that this will be achieved by the Controller of Audit submitting a Best Value Assurance Report (BVAR) on each council at least once during the five-year audit appointment and by Best Value being reported in annual audit reports.
3. The attached BVAR (**Appendix 1**) is on Falkirk Council. This is the first BVAR on the council and reports on the progress made by the Council since previous Best Value reporting.
4. The Controller of Audit previously reported to the Accounts Commission on the Council in [August 2015](#) and the Commission's findings were published in the same month (set out in **Appendix 2**). The Commission required a progress report, which was presented to the Accounts Commission in November 2016, and the Commission's findings were published in [December 2016](#) (set out in **Appendix 3**). A further follow-up report was presented to the Accounts Commission in January 2018, and the Commission's findings were published in [February 2018](#) (set out in **Appendix 4**). Since then, Best Value follow-up work has been integrated with the annual audit, and reported in the [2018/19](#) and [2019/20](#) annual audit reports.

The Controller of Audit report

5. The BVAR is made by the Controller of Audit to the Commission under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).
6. The legislation enables the Controller of Audit to make reports to the Commission with respect to:
 - the accounts of local authorities audited under the Act;
 - any matters arising from the accounts of any of those authorities or from the auditing of those accounts being matters that the Controller considers should be considered by the local authority or brought to the attention of the public; and
 - the performance by a local authority of their statutory duties in relation to best value and community planning.
7. A copy of the report is being sent to the Council, which is obliged to supply a copy to each elected member of the Council and to make additional copies available for public

inspection. Once the Controller of Audit's report is sent to the Council it is effectively in the public domain.

8. The report concludes with a series of recommendations proposed by the Controller of Audit which are to be part of the Commission's considerations.

Procedure

9. The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them:
 - direct the Controller of Audit to carry out further investigations
 - hold a hearing
 - state its findings.
10. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make an enforcement direction requiring an authority to take such action as is specified in the direction.
11. Members of the audit team will be present at the Commission's meeting and will be available to answer questions on the evidence and judgements presented in the report. This is done in the public part of the Commission meeting.
12. The Commission is then expected to consider in private how it wishes to proceed. Subsequently, the Commission is obliged by statute to inform the council of its decision, which the Commission does before making the decision public.

Conclusion

13. The Commission is invited to:
 - a) consider the Controller of Audit's BVAR on Falkirk Council; and
 - b) decide in private how it wishes to proceed.

Paul Reilly
Secretary to the Commission
30 November 2021

BEST VALUE ASSURANCE REPORT: FALKIRK COUNCIL

See separate paper.

**THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING: FALKIRK COUNCIL
COMMISSION FINDINGS**

AUGUST 2015

1. The Commission accepts this report by the Controller of Audit on Best Value audit work in Falkirk Council.
2. While Falkirk Council provides generally good services, it has identified the need to make savings of £46 million over the next three years. The Commission has significant concerns that the council's approach to this challenge is inadequate to ensure that service standards are maintained and improved.
3. The council needs to make a step-change in its pace of improvement. A continuing reliance on small-scale savings projects, service reductions and service charge increases is not sufficient. The council needs to be more ambitious, coherent and clearer in its savings plans. These plans need to reflect its priorities and what impact they will have on services. The Business Transformation Project needs to be more strategic and stronger leadership is needed for this to happen. Councillors need to provide strategic direction for the project, and senior managers need to ensure that options on the future delivery of services are clearly articulated to members. Members' decisionmaking also needs better support from the council's performance management system.
4. The Commission welcomes that, after an unacceptable and protracted period of ineffective scrutiny in the council, members are participating in new arrangements. The council needs to demonstrate that scrutiny is now effective.
5. The council has a great deal to do to provide assurance that it can deal with the financial challenges ahead. The Commission therefore requires the Controller of Audit to report back on progress by the end of 2016.

**THE AUDIT OF BEST VALUE AND COMMUNITY PLANNING: FALKIRK COUNCIL –
BEST VALUE AUDIT REPORT**

COMMISSION FINDINGS

DECEMBER 2016

1. The Commission accepts the Controller of Audit's report on Best Value in Falkirk Council.
2. In our findings in August 2015, we stated that the council needs to make a step-change in its pace of improvement. It is disappointing that we have not yet seen this.
3. While there has been much activity in the council in responding to our previous findings, we remain concerned that the scale of improvement required necessitates the council making more radical change. It urgently needs to agree its key priorities. These need to be supported by a more robust approach to financial planning for the medium and longer term and a more coordinated and streamlined approach to its improvement activity, showing how substantial change will be achieved. While a corporate workforce strategy is now in place, the council needs to show how this will drive and deliver change across services.
4. Increased collaboration among elected members in the budget process and in business transformation activity is encouraging. Scrutiny by elected members has also improved, but this could be more transparent. This needs to be supported by better reporting of performance by officers. The council also needs to demonstrate its change and improvement more effectively.
5. Strong and effective leadership by elected members and the corporate management team is critical for the council to address its challenges in coming years.
6. We continue to have a close interest in how the council is progressing. We require the Controller of Audit to update us by the end of 2017 through the annual audit and in our revised approach to auditing Best Value.

**BEST VALUE FOLLOW UP AUDIT 2017 – FALKIRK COUNCIL:
COMMISSION FINDINGS**

FEBRUARY 2018

1. The Commission accepts the Controller of Audit's report on follow up work in relation to the audit of Best Value in Falkirk Council. We endorse the Controller of Audit's support for the recommendations made by the appointed auditor in the 2016/17 annual audit report of the council.
2. The council has responded encouragingly to our December 2016 findings. An ambitious five-year improvement programme, supported by good commitment from members and officers, is an important development. Effective leadership and implementation of this programme will however be crucial as it is taken forward if it is to enable the council to do things differently.
3. The financial challenges faced by the council are substantial and pose a significant risk to the council. Improvements in financial planning and performance reporting are therefore welcome. The significant change required to meet these challenges will however need to be supported by robust project and workforce management. More clarity is also needed around the budget savings to be yielded from the improvement programme.
4. Many of the improvement actions are in the early stages of implementation and their effectiveness has yet to be established. We will therefore maintain an interest in how the council is moving from planning to delivery and so increasing its pace of change. Such progress will be reported through the annual audit. The Controller of Audit will update the Commission accordingly.

Falkirk Council

Best Value Assurance Report

ACCOUNTS COMMISSION 

Prepared by Audit Scotland

December 2021

The Accounts Commission

The Accounts Commission is the public spending watchdog for local government. We hold councils in Scotland to account and help them improve. We operate impartially and independently of councils and of the Scottish Government, and we meet and report in public.

We expect councils to achieve the highest standards of governance and financial stewardship, and value for money in how they use their resources and provide their services.

Our work includes:

- securing and acting upon the external audit of Scotland's councils and various joint boards and committees
- assessing the performance of councils in relation to Best Value and community planning
- carrying out national performance audits to help councils improve their services
- requiring councils to publish information to help the public assess their performance

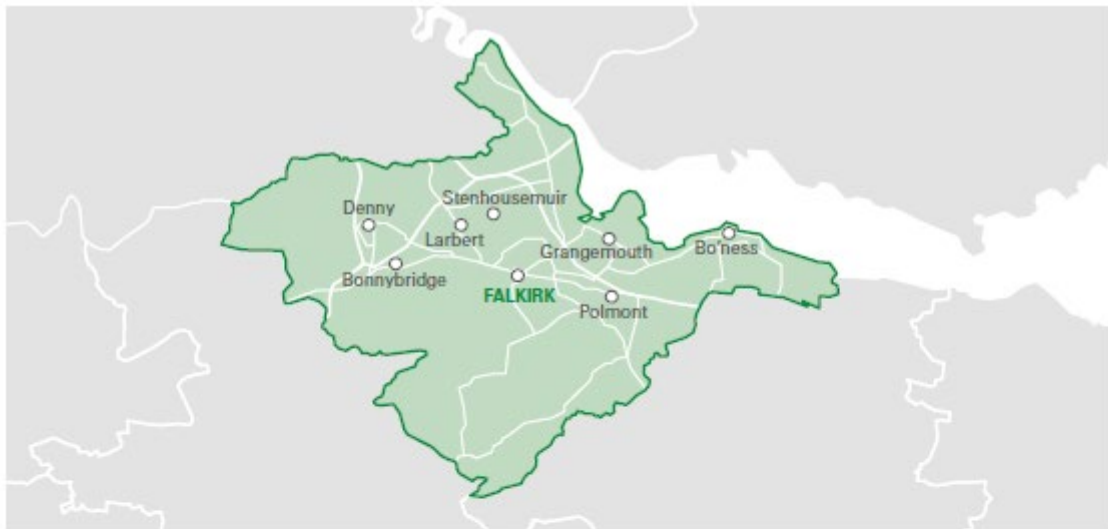
You can find out more about the work of the Accounts Commission on our website www.audit-scotland.gov.uk/about-us/accounts-commission

Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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Key facts



297
square
kilometres

Area

160,890

Population
(mid-year 2019 estimate)

6,029

Workforce
(full-time equivalents
2019/20)

30

Elected members
13 Scottish National Party
7 Labour
7 Conservative and Unionist
3 Independent

16,509

Council houses
(March 2020)

£15.4
million

Budget gap
2021/22
(March 2021)

£369.4
million

2021/22
Revenue budget

£47.4
million

2021/22
Capital budget
(including HRA)

Audit approach

- 1.** The statutory duty of Best Value was introduced in the Local Government in Scotland Act 2003. The audit of Best Value is a continuous process that forms part of the annual audit of every council. Findings are reported each year through the Annual Audit Report.
- 2.** In addition, the Controller of Audit will present a Best Value Assurance Report to the Accounts Commission at least once during the five-year audit appointment for each council. This is the first assurance report on Falkirk Council. The Controller of Audit's previous report on Falkirk Council was a Best Value follow-up report, published in February 2018. A summary timeline is included at [Appendix 1](#).
- 3.** This report seeks to provide the Commission with assurance on the council's statutory duty to deliver Best Value, with a particular focus on the Commission's Strategic Audit Priorities. We are looking for councils to demonstrate Best Value by showing continuous improvement in how they deliver services. The pace and depth of this improvement is key to how well councils meet their priorities in the future.
- 4.** Our work covers many Best Value themes in the statutory guidance but does not cover them all. Our audit approach is proportionate and risk-based, it reflects the context, risks and performance of the individual council. It also draws on the information from audit and scrutiny work we have carried out in previous years as shown in [Exhibit 1](#) (page 6).

Exhibit 1

Assessing Best Value across the audit appointment period

Best Value themes were reported within the wider scope sections of annual audit reports.

Best Value characteristics	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Performance, outcomes and improvement		✓		✓	✓	
Vision and leadership					✓	
Governance and accountability	✓		✓	✓	✓	
Effective use of resources	✓	✓	✓		✓	
Partnership and collaborative working					✓	
Working with communities					✓	
Sustainable development						✓
Fairness and equality						✓
Best Value Assurance Report					✓	
Best Value Assurance Report follow-up						✓

Source: Audit Scotland

5. In keeping with this approach, we conducted some initial work to identify risks and council initiatives to build into the scope of our audit. This included a review of previous audit and inspection reports and intelligence, review of key council documents, initial meetings with senior officers and reflection on our wider public sector knowledge and experience. Key areas of focus for our audit included ([Exhibit 2](#)).

Exhibit 2

Key areas of focus for our audit	
	The council's vision and strategic direction
	Performance and pace of improvement, including public performance reporting
	Effective use of resources, including financial sustainability, impact of transformation programme and workforce planning
	Partnership working and community engagement
	Continuous improvement, including progress since the follow-up Best Value audit report published in 2018

Source: Audit Scotland

Impact of Covid-19 outbreak on the audit approach

6. Because of Covid-19 restrictions, the audit team held all interviews with key officers, elected members and partners remotely. Despite the restrictions on the on-site fieldwork, we were able to gather sufficient evidence to support the audit judgements in this report.

7. The outbreak has brought unprecedented challenges for councils across the country. The long-term impacts on communities and the delivery of public services are still unknown, but they will be significant and could continue for some time. The scope of our work covers the current impact of Covid-19 on Falkirk Council where it is known.

Follow-up to report

8. The audit work was carried out by a joint team from Audit Scotland and Ernst & Young LLP, the appointed auditor. The appointed auditor will continue to audit Best Value over the course of the audit appointment. This will include following up on the conclusions and any Accounts Commission findings arising from this report and more detailed audit work on other Best Value characteristics as appropriate.

Acknowledgement

9. We gratefully acknowledge the cooperation and assistance provided to the audit team by all elected members, officers and other stakeholders during the audit.

Key messages

- 1** In our last Best Value report in 2018, we said that the council would need strong leadership to make the necessary step change in its pace of improvement. Since then, the council has taken a range of actions to improve leadership and develop an improvement culture. However, elected members and the corporate management team have not yet demonstrated the collective leadership required to drive the change necessary to deliver the council's priorities. The council has made insufficient progress on key aspects of Best Value, including improving financial sustainability, performance management and reporting, community empowerment and equalities. It has only recently begun to take forward developments in these important areas.
- 2** The council established its Council of the Future (COTF) programme for transforming the way it works in 2017, but it has still to make a significant impact on services and savings. After commissioning a review from an external consultant in 2020, senior officers have recently implemented substantial changes to how they manage the transformation programme. But the pace and depth of the transformation programme need to be significantly improved.
- 3** The council has a medium-term financial plan, but this does not identify how it will address the full extent of its projected £70 million funding gap over the next five years. Elected members typically opt to use reserves to balance annual budgets rather than taking more difficult decisions within savings options proposed by officers. This is not sustainable.
- 4** Whilst the council has appropriate governance arrangements and good working relationships between senior officers and elected members across the political parties, significant delays in elected members taking some key decisions are impacting on the council's pace of change. Elected members need to make difficult decisions quickly about the future shape of services and show better collective leadership with the corporate management team to deliver the necessary change. We expect all members to work together, and with officers, to fulfil the council's duty of Best Value.
- 5** The council performs well in several key services and performance continues to improve. Moreover, it is actively working to address areas in which performance is poorer. In 2019/20, its performance in 60 per cent of published Local Government Benchmarking Framework (LGBF) indicators

was above the national average. The people of the Falkirk Council area are, however, less satisfied with the council's performance and services than in other areas of Scotland. Previously highlighted weaknesses in the performance information reported to the public and to committees for effective scrutiny have recently begun to be addressed.

- 6** The council has not been effective in ensuring that equalities are embedded across the organisation. Following a review in 2019/20, the council is responding to several significant weaknesses including: the absence of a governance framework, the need for self-assessment, a focus on reviewing outcomes and improving reporting progress against its statutory requirements.
- 7** The council has decided to wind up the Falkirk Community Trust and bring sport, leisure and cultural services back in-house from April 2022. The council sees long-term benefits to this decision but the additional costs it will incur pose a significant risk to value for money unless the council takes difficult decisions quickly. The council has begun reducing total staffing costs to mitigate these risks.
- 8** The council has strong and positive working relationships with its community planning partners and these have supported an effective joint response to Covid-19 as well as new important developments, such as the Falkirk Investment Zone. However, the Community Planning Partnership (CPP) has not been able to demonstrate whether it is delivering positive outcomes for its communities. It is working to address this through reporting progress against its new Falkirk Plan, published in November 2021. It has also failed to develop locality plans, despite legislation requiring them to be complete more than four years ago. This is now being taken forward as a priority.
- 9** Recently there has been close joint working between the council, the Health and Care Partnership (HSCP) and NHS Forth Valley in responding to the Covid-19 pandemic. This has improved the effectiveness of the Falkirk Integration Joint Board (IJB) and enabled it to make progress in shifting the balance of care. However, NHS Forth Valley has yet to fully integrate key services. This falls short of the expectations within legislation and reduces the IJB's ability to achieve transformational change.
- 10** The council has made limited and slow progress in empowering its communities in response to the Community Empowerment Act 2015, but this is now a greater priority. It introduced community choices, a participatory budgeting scheme during 2021. The council has also recently strengthened its capacity to work better with communities. This, coupled with the response

to Covid-19, has resulted in a positive shift in its approach and culture in engaging and working with communities in the last two years.

- 11** The council responded well to the immediate challenges of the Covid-19 pandemic, supporting and working well with its communities, including using their views to develop a new vision and priorities for the recovery from Covid-19. It is aligning its plans, transformation programme and performance reports around its three key priorities and has begun making good progress in improving its use of digital technology in line with its priority of becoming more innovative.

Part 1

Does the council have clear strategic direction?



Since our Best Value follow-up audit report in 2018, elected members and the corporate management team have not achieved transformational change at the pace and depth necessary to deliver on the council's priorities and address budget gaps.

The council has set out a clear vision and its priorities for the future, including its recovery from Covid-19. All elected members and senior officers now need to work together to collectively lead the necessary change to deliver the council's vision and Best Value.

The council has supported its staff and communities well through the Covid-19 pandemic and needs to build on the positive changes this has brought to its ways of working.

The council established its Council of the Future programme for transforming the way it works in 2017, but it has still to make a sufficient impact on services and savings. After commissioning a review in 2020 from an external consultant, senior officers have recently implemented substantial changes to how they manage the transformation programme.

The council has appropriate governance arrangements to support effective decision-making, and there is close working between senior officers and elected members across the political parties. But significant delays in taking some key decisions have impacted on the council's pace of change. Elected members need to hold officers to account for transformation and make difficult decisions quickly about the future shape of services.

The local context

10. Falkirk Council is the 11th largest local authority in Scotland by population, with a total population of 160,890. The Falkirk Council area is largely urban and is situated in the central belt of Scotland. It covers 297 square kilometres and includes the towns of Falkirk and Grangemouth. The population has been increasing and is projected to increase by a further 3.2 per cent between 2018 and 2028. This is notably faster than the average projected increase across Scotland of 1.8 per cent.

11. Many Falkirk Council areas experience high levels of deprivation. According to the 2020 Scottish Index of Multiple Deprivation (SIMD), 15 per cent of council residents (24,575) are currently living in the most deprived 20 per cent of areas in Scotland. Of the 214 data zones in the council area, 35 are in the most deprived 20 per cent of areas in Scotland, an increase of two from the 2016 SIMD. Child poverty is an issue in the Falkirk area, with the percentage of children living in low-income families increasing from 15.4 per cent to 18.1 per cent since 2016. The percentage of children living in poverty increased from 23.1 per cent in 2015/16 to 24.8 per cent in 2019/20 and is now above the Scottish average rate of 24 per cent.

12. Life expectancy at birth for women in the Falkirk area is 80.46 years, which is lower than the Scottish average of 81.14 years. For men, however, life expectancy at birth is 77.33 years, slightly higher than the Scottish average of 77.16 years. The 2011 census stated that 30 per cent of Falkirk Council's population was living with one or more long-term conditions, slightly higher than the Scottish rate.

13. About one-third of all chemical sector activity in Scotland takes place in the Falkirk area because it includes the Grangemouth plant. In 2018/19, carbon dioxide emissions per capita in the Falkirk area were the highest in Scotland at 14.93 tonnes per year, almost three times the Scottish average of 5.26 tonnes per year.

14. The total number of jobs in the Falkirk area is about 66,000, and its total turnover is about £7.05 billion (2016). The area has some iconic landmarks and attracts almost one million visitors each year. Tourism is an area of growth, accounting for about £110 million coming into the local economy in 2016 and employing almost 2,000 people.

15. The Falkirk area has a greater proportion of people employed in the manufacturing, construction and transport sectors than the Scottish average. Covid-19 has, of course, had an impact on Falkirk's economy, with approximately 18,800 employees (29.5 per cent of all employees) being furloughed during the pandemic. The area saw a rise in Universal Credit claimants during the pandemic and an increase of 66.6 per cent in unemployment claimants between March and April 2020. Youth unemployment increased from 5.35 per cent in March 2020 to 10.1 per cent in June 2020.

The council has a clear vision and priorities for its recovery from Covid-19 and has embedded these in its strategic plans

16. The Accounts Commission's Local Government in Scotland Overview 2021 describes how the Covid-19 pandemic is having a profound impact on all aspects of society, including the economy, jobs, and the physical and mental health of the public. Councils have been at the centre of the response to the pandemic, supporting communities through these difficult times. It has brought additional pressures and demands that have inevitably had an impact on the council's plans over that time.

17. Members and officers have set a clear strategic direction for the council and its recovery from the impact of Covid-19. In taking stock after the first peak of the Covid-19 pandemic, the council realised that it would need to allocate resources differently to combat poverty, revive the economy, improve people's health and wellbeing, and address Covid-19's impact on public spending. It developed a new Corporate Plan in 2020 to reflect this.

18. To shape its mission and priorities in the new Corporate Plan, the council considered the views of communities, businesses and employees. It did this through surveys with staff, the public and business, and through 'community conversations' with the third sector, Falkirk Parent Forum, community groups and equalities groups. During July and August 2020, the council consulted its local communities: 1,467 people completed the council's survey about how Covid-19 had affected their lives and what they thought the council's priorities should be in future. A further 100 people took part in eight virtual 'community conversation' focus groups. Those who took part in this engagement said that the council needed to:

- simplify its priorities, as a number overlap
- help people to live their best lives – from supporting the most vulnerable to creating safe educational and living environments
- treat communities equally and fairly and make them safe and sustainable places to live
- help businesses get back on track and create jobs and investment opportunities
- be more innovative and less bureaucratic in how it operates.

19. The council has used the feedback to revise its priorities and its Corporate Plan and Business Plan, and to review and improve its day-to-day operations. As a result, it has reduced the number of corporate priorities that underpin its vision of making Falkirk 'The Place to Be – where everyone can fulfil their potential' from five to the following three:

- **Communities:** where everyone has an equal chance to be healthier, happier and safer and to build sustainable communities by focusing on

creating stronger communities, tackling poverty and inequality, education, social care and the local environment.

- **Enterprise:** helping businesses to thrive and make the Falkirk area more prosperous by focusing on the growth deal, economic recovery, employability, inclusive growth and tackling climate change.
- **Innovation:** creating an innovative and entrepreneurial council that is forward thinking and unafraid of change by focusing on transformation, culture, digital technology, finances and data.

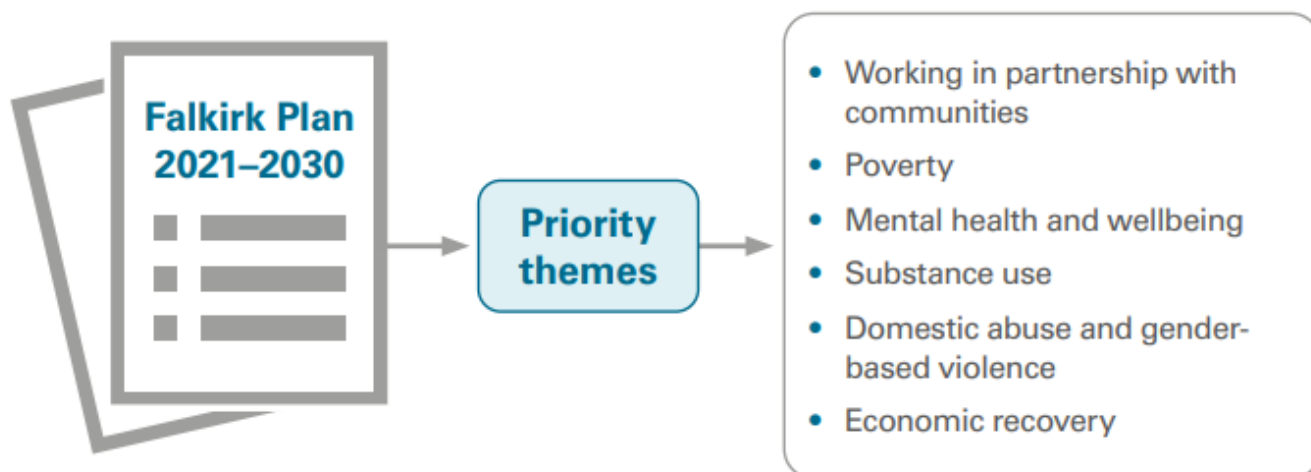
20. The vision framework in the Corporate Plan expresses the council's ambition to create a greener and more economically vibrant area, with healthier, stronger and more prosperous communities that are digitally connected and able to make key decisions themselves.

21. The council's revised priorities align with the wider priorities of the Community Planning Partnership (CPP) as set out in its new Falkirk Plan 2021–2030 ([Exhibit 3](#)).

Exhibit 3

Falkirk CPP's key priorities

The CPP's priorities in its new Falkirk Plan 2021–2030 are set out under six themes that have the most pressing and direct impact on communities and which require the most urgent action.



Source: Falkirk CPP

22. The council has also incorporated its vision into updates to other strategic plans (including its new three-year Business Plan approved in September 2020, its Economic Recovery Plan and Digital Falkirk) as shown in [Exhibit 4](#). All these plans centre on the council's three simplified priorities. These priorities are also now shaping the Council of the Future (COTF) transformation programme, with priority projects and proposed savings clearly aiming to contribute to one of the corporate priorities.

Exhibit 4

Falkirk's Strategic Plans

The council has updated and aligned strategic plans over the last 18 months

Plan	Duration
<p>The Falkirk Plan 2021–2030</p> <p>This will provide vision and focus, based on the local priorities agreed on, for communities and partners to work collaboratively to meet the needs and aspirations of the people in the Falkirk area.</p>	10 years
<p>Falkirk Council Corporate Plan 2020–2022</p> <p>This is the council's vision framework. It focuses on the council's priorities and how it will ensure effective engagement with communities.</p>	2 years
<p>Falkirk Council Business Plan 2021–2023</p> <p>This sets out how the council will deliver on its priorities through the COTF transformation programme, the medium-term financial plan and the workforce plan.</p>	3 years
<p>Falkirk Council Economic Recovery Plan August 2020</p> <p>This presents information on the economic impact of, and outcome of, the consultation on Covid-19 and how the council will address this.</p>	2 years
<p>Digital Falkirk 2020–2025</p> <p>This is a framework for using digital technology to improve services, engage more effectively with communities and reduce operational costs.</p>	5 years

Source: Falkirk Council

23. There is broad cross-party political support for the vision and priorities set out in the Corporate Plan, the supporting plans and the COTF transformation programme. As highlighted in [paragraph 37](#), however, this support is not consistently reflected in council decisions.

Being innovative is a key priority and the council has made good progress in enhancing digital technology over the past year

24. The council agreed its first digital strategy in May 2019. At that time, the strategy was high level, with very limited detail about how the council would implement digital transformation. In September 2020, the council updated the strategy and Business Plan, reflecting the need to increase the scale and speed of digital investment in response to the Covid-19 pandemic. The revised strategy is much more specific about where the council needs to use digital technology and how it will do this. The council's updated Business Plan also more clearly reflects priorities for substantial digital investments, including in digital connectivity and ultrafast

broadband for all key council buildings, such as schools and care homes, and in automation and mobile and flexible technologies.

25. Over the past year, the council has been enhancing digital technology in line with its ambitions. It has delivered free public wi-fi in each of its town and district centres and through 'DigitalBoost' maintains an active programme of digital support for business. As part of its Succeed Today, Excel Tomorrow (STET) transformation project it has been rolling out its Connected Falkirk initiative across its schools. It is also the first Scottish council to have introduced an end-to-end digital telecare service, a sector-leading digital achievement ([Exhibit 5](#)).

Exhibit 5

Connected Falkirk – part of the Succeed Today, Excel Tomorrow project

Before the Covid-19 pandemic, the council launched Connected Falkirk, an ambitious programme to allow teachers to use technology to improve learning, teaching and assessment, ensuring equal access to digital learning and aiming to achieve better educational outcomes.

In rolling out Connected Falkirk, the council established the Falkirk Apple Regional Training Centre – one of only four in Scotland – to deliver world-class training to educators, build skills and confidence, share best practice and inspire excellence through teaching with technology. By January 2021, every teacher had their own iPad and access to resources and training, enabling them to create high-quality learning experiences online. All 58 schools in the council area have also been upgraded to high-speed fibre internet access and 1,750 Wi-Fi access points have been installed. Connected Falkirk aims to provide 16,000 iPads to all P6-S6 pupils and a shared device for every five P1-P5 pupils by the end of 2021.

To support the programme's effective operation, the council has five in-house full-time dedicated digital learning specialists who provide training and development sessions for all pupils, bespoke professional learning for all staff, and a range of training materials, tutorials, advice, support and resources on relevant tools and techniques.

Digital telecare

The COTF Analogue to Digital Telecare project was designed to replace the analogue telephone lines of the Mobile Emergency Care Service (MECS), which are due to be turned off by 2025, with a digital service. The council's information and communications technology (ICT) team worked with the HSCP, the local social enterprise Haven Enterprise and the alarm provider Doro Care to replace 4,000 analogue alarm systems in people's homes with pre-programmed digital ones. At the same time, the team worked with Chubb Systems to develop and install a digital alarm receiving centre.

Falkirk Council was the first Scottish council to migrate emergency care service users to a safe, secure and fully digital telecare service.

By September 2021, 90 per cent of users had been migrated to the fully digital service. The team is working to transfer the remaining MECS users to the digital service by spring 2022. As a result of its work, the council received a Gold Level 1 Digital Telecare Implementation Award from the Digital Telecare for Scottish Local Government programme.

Source: Falkirk Council

The council has not yet achieved change, innovation and savings on the scale required to meet the objectives of its Council of the Future transformation programme

26. The council first introduced its COTF transformation programme in 2017. It was designed to be an initial five-year improvement programme to transform services and help address the council's future funding gaps.

27. The programme is currently in its third 'wave'. It began with 14 projects in the first wave in 2017. Four of these projects were completed. One of these led to Falkirk's Next Generation Contact Centre (NGCC) being set up. The other three were 'enabling' projects, intended to lay the foundations for further work:

- the children and families social work strategic review, which led to the Closer to Home project being developed
- the 'breaking the mould' project, which has informed the development of projects in roads and grounds maintenance
- a strategic planning project, which led to the council creating its first five-year Business Plan in 2019.

28. The second wave of the COTF programme, which was launched in May 2019, had 30 projects in total, 18 of which were completed. These ranged in scale, nature and potential impact. For instance, an asset register was created in one project and a five-year litter strategy developed in another. One project led to the introduction of an online health and safety system for reporting workplace incidents, while another developed an online school payment system. One project allowed two school subjects (Advanced Higher History and Higher Politics) to be offered through virtual learning in 2018. Other projects ranged from delivering savings through a single managed structure for all staff involved in clerical/administration support services and allowing workers to take council vehicles home and use handheld devices (which resulted in a 30 per cent increase in productivity and a reduction in job completion times), to decreasing the number of building maintenance depots from three to two.

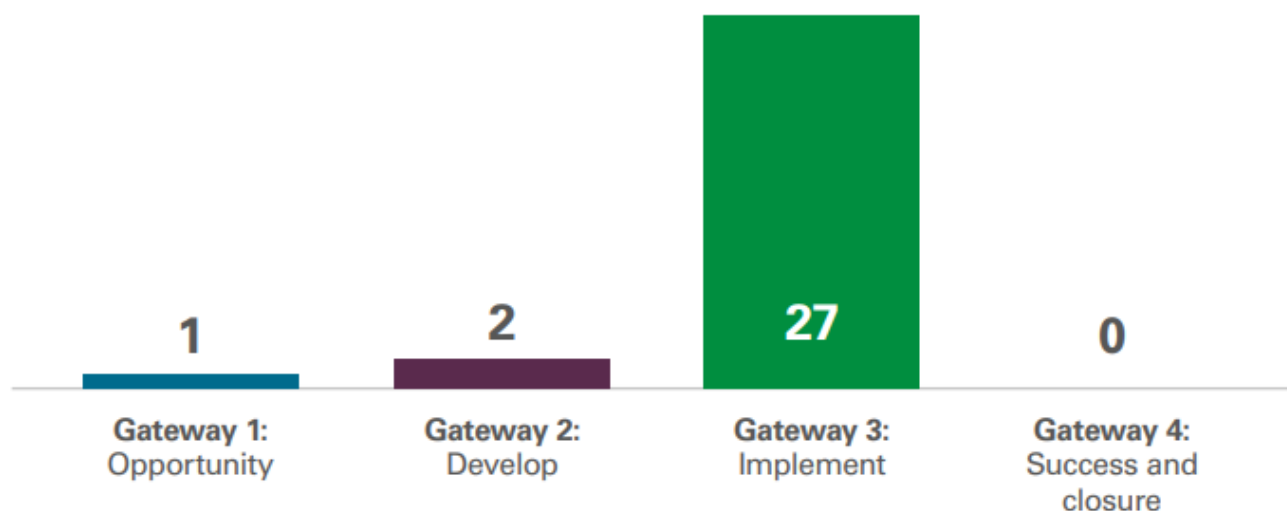
29. Three of the 18 projects completed in the second wave of the COTF programme, however, turned into other projects. As outlined in [Part 4](#), one of these, the completed project on locality planning, has still to result in the agreed locality plans being adopted. Some of the longer-term and more challenging projects in the second wave are still ongoing, such as the Closer to Home project for young people in care. Five projects have been rolled forward into the current programme: the Growth Deal, economic recovery, regeneration of the town centre, the council headquarters and arts centre project and transformation of the roads and grounds maintenance service.

30. The COTF programme currently comprises 30 projects. Of these, ten are priority projects, identified by the council as likely to result in the most significant changes to the way it works and to make the greatest contribution to addressing its future budget gaps. As shown in [Exhibit 6](#), none of the current priority projects have yet reached the stage where the council considers that it has been successfully implemented (defined in project management terms as having reached Gateway 4).

Exhibit 6

COTF project status by gateway – August 2021

Almost all COTF projects are still at the implementation stage



Source: Falkirk Council

31. The appointed auditor has consistently reported each year that it has not been possible to verify the savings delivered through COTF. The council recognises that its lack of progress in implementing its COTF programme means that the level of savings it had hoped to achieve and the timescale over which it had hoped to achieve them are unrealistic. As shown in [paragraph 73](#), the council's Closer to Home priority project is striving to generate savings of £7 million by 2025/26 from transforming

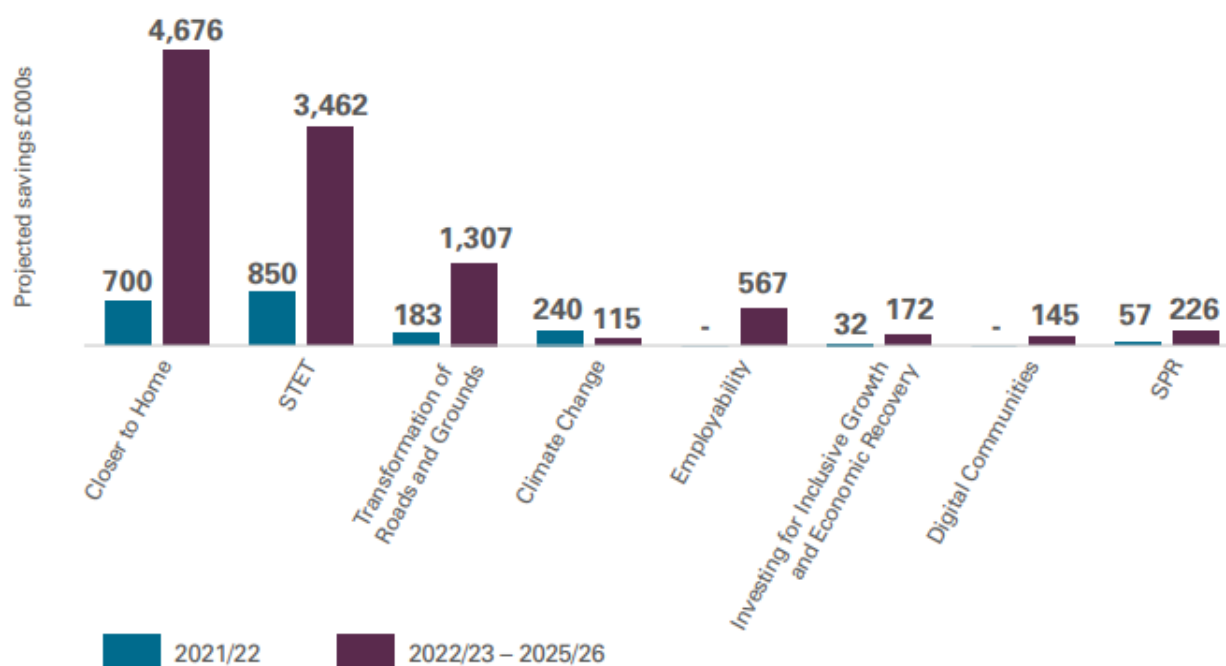
children's services, however savings to date have not been enough to even offset budget overspends.

32. The council has revised projected COTF savings, decreasing saving projections for the 2021/22 financial year and increasing savings projected for 2022/23 to 2025/26. This is reflected in [Exhibit 7](#), which shows that projected savings for almost all priority COTF projects are heavily weighted to 2022/23 onwards. Accordingly, to balance its annual budgets, the council has continued to rely heavily on annual cost savings resulting from reductions in budget and full-time equivalent (FTE) staff rather than on savings resulting from transformation.

Exhibit 7

Projected savings resulting from priority COTF projects, 2021/22 and 2022/23 to 2025/26

Eight of the council's 10 COTF priority projects are designed to deliver savings, but very few of these savings are anticipated before 2022/23



Source: Falkirk Council

The council is putting in place better arrangements to manage its Council of the Future transformation programme

33. In recognition of the need to improve its management and delivery of the COTF programme, the council commissioned external consultants to carry out a full review of the COTF programme during 2020. The consultant's report in December 2020 set out for the council eight elements that they believe are core to a successful transformation programme ([Exhibit 8](#)). It highlights that these must all be present,

effective and work in harmony to drive a robust programme, from generating ideas to delivering them successfully. Having reviewed the COTF programme in the context of each of these elements, the consultants highlighted several weaknesses and areas for development that the council needed to address urgently. These include taking rapid action to strengthen the programme, prioritising opportunities to release benefits in 2021/22, and improving the clarity and accountability of the COTF governance framework to address services working in silos.

Exhibit 8

Core elements of a successful transformation programme



Source: Council of the Future Review and Budgetary Deep Dive, December 2020

34. Officers have used this external review as an important turning point in improving their management of the transformation programme. In January 2021 they developed and started implementing a Powering our Priorities (POP) action plan. This has led to the council establishing a new

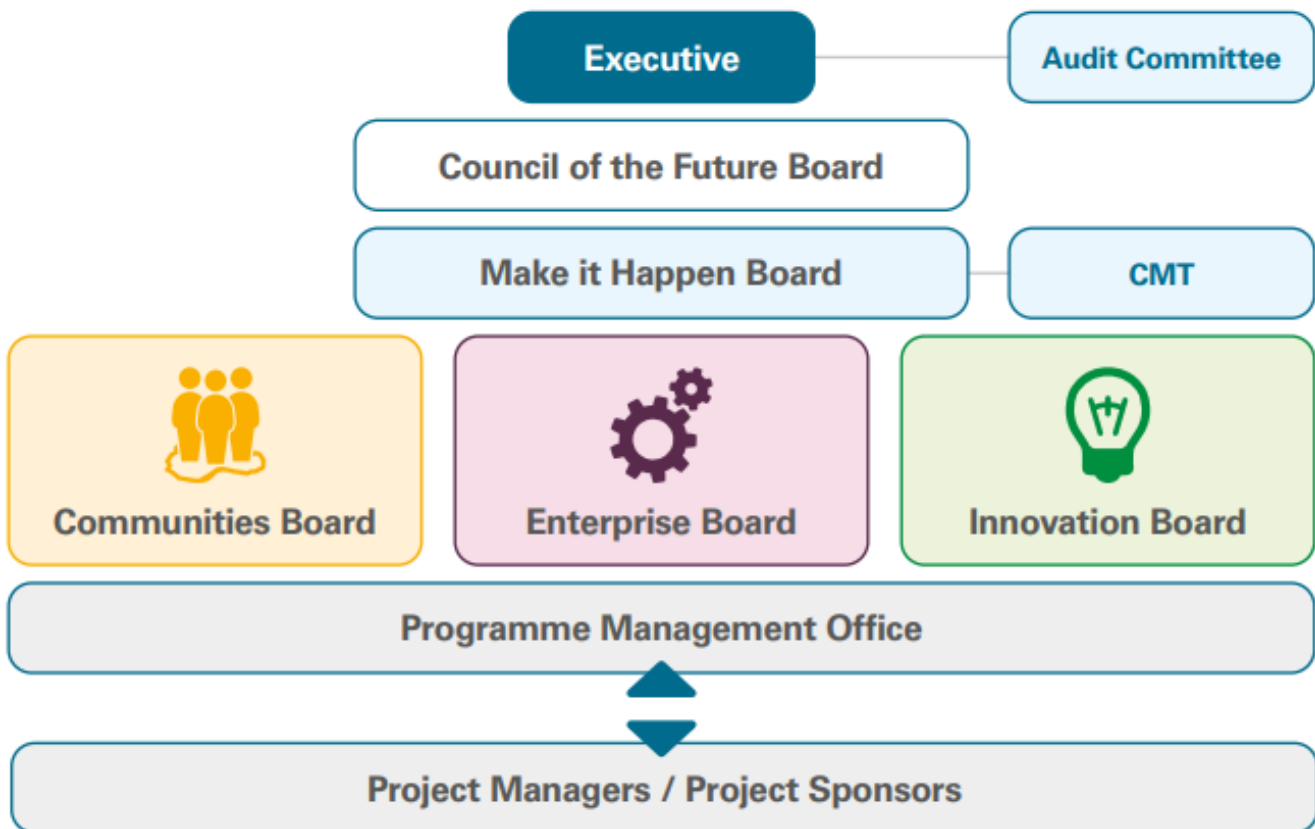
programme governance framework ([Exhibit 9](#)), adopting better project and risk management methodologies, and improving progress reporting.

35. The council has a well-resourced programme management office (PMO), and its response to the critical external review of the COTF programme has included significant further investment in an additional four PMO staff. If the council is to deliver effective transformation with the sense of urgency required to address the funding gaps identified, it needs to complement its investment in PMO resources with ensuring that all staff across the council buy in equally to the COTF programme. Through transparent and robust reporting of progress on COTF it also needs to assure itself that it is getting the expected return on its investment in PMO resources.

Exhibit 9

COTF governance framework

The council has strengthened its COTF governance framework and aligned it to its corporate priorities



Source: Falkirk Council

The delivery of the Council of the Future programme requires better collective leadership from officers and elected members

36. In the 2018 Best Value follow-up audit report, we said that the council would need strong leadership to make the necessary step change in its pace of improvement. Since 2018, the council has taken a range of actions to improve leadership and develop an improvement culture. This includes introducing a leadership forum, tailored leadership team development sessions and courses in leadership, team skills and coaching in supporting senior officers to achieve Institute of Leadership and Management (ILM) awards. Despite this, elected members and senior officers have not yet demonstrated the collective leadership required to achieve the transformational change necessary to close the council's budget gaps and deliver on its priorities.

37. As well as the weaknesses in implementing COTF, political tensions between elected members, coupled with the challenges of the council being led by a minority administration, have meant that key decisions on projects crucial to achieving the council's vision have not been made. As highlighted in [Part 3](#), when setting the budget, elected members continue to opt to use reserves rather than accept some of the options put forward by officers for transformational savings. In addition, decisions have been delayed for several years on some priority projects that have the potential to lead to substantial transformation and savings. For example, the council has been debating the replacement of its headquarters and arts centre since 2014. This forms one strand of the council's wider strategic property review (SPR), which as shown in [Exhibit 10](#), has been under debate since 2016.

Exhibit 10

Strategic property review

The council agreed to review its property estate in 2016 but has not yet implemented an approach to tackling underused and poorly performing assets.

In May 2016, the council's Executive Committee agreed to carry out a strategic property review (SPR) of both the council's and Falkirk Community Trust's property estates to inform collective service needs and the 2017/18 budget process.

The Stage 1 review report in December 2016 confirmed that the council had too many assets, many of which were underused and poorly performing, and recommended that the council adopt a corporate approach to reduce and modernise its property estate in line with needs. A joint member-officer working group was set up to take the SPR and its recommendations forward.

In May 2018, the council conducted a review of its office accommodation as part of the SPR, and officers made recommendations on refurbishing and disposing of buildings. The recommendations for its headquarters and back-office estate were rejected in favour of a further review of options, particularly the further review of proposals to replace the

council headquarters. Work has proceeded to deliver three locality advice hubs and front facing offices.

The SPR has been discussed by the council at ten meetings over the course of the last five years. In May 2021, the council agreed on the findings of the SPR and that the review is essentially complete. It also agreed on a property strategy and implementation plan to inform options and decisions on its operational properties (subject to the 2016/17 financial information in the draft property strategy being updated and resubmitted for consideration at a future council meeting). The council needs to quickly progress the remaining key actions in the SPR and take decisions on its property estate to deliver Best Value.

The council's school estate also forms part of the SPR. In September 2021, following a referral by Scottish Ministers, the School Closure Review Panel found that the council had not fulfilled all of its statutory duties in its proposals to close Bothkennar and Limerigg Primary Schools, both rural schools. Consent for both closures was refused on the grounds that the council had significantly failed to set out reasonable alternatives to closure. The panel requires the council to redress the identified failures in reaching a fresh decision on both schools.

Source: Audit Scotland

Officers have recently started to improve the information they provide to elected members to facilitate better scrutiny of the council's transformation programme

38. As well as COTF requiring collective leadership, it is essential that elected members can effectively hold officers to account for its delivery. Until recently the information that officers provided to elected members on the COTF programme and projects did not allow for effective scrutiny of the programme. This included elected members only being briefed verbally on the findings of the COTF external review report, posing a risk that they are not all clear about the extent of the challenges around the transformation programme.

39. The improvements made in managing COTF in 2021 have led to elected members receiving better information on the COTF programme and projects. This includes the POP action plan being provided to the Scrutiny Committee and discussed at COTF Boards. From June 2021, officers began to report more detail to elected members, including reporting on progress, risks and projected savings from the priority projects in the programme. From September 2021 onwards, more detailed updates on individual priority projects are being reported in turn to the council's Executive and other core committees. This provides greater clarity around the programme, but reports would benefit from providing greater detail about what actions are being taken and explaining where progress or savings differ from that planned.

The council's positive response to Covid-19 has shown that by empowering staff it can work well and at pace and it needs to build on this

40. The chief executive took up post in 2018 and more than half of his tenure has been spent responding to Covid-19. He and his senior team have led the council's response to Covid-19 well through a range of initiatives. Senior officers have empowered staff throughout the organisation to find ways of working together, which has resulted in the effective delivery of essential services in a changing and challenging environment. The need for rapid responses to Covid-19 has shown that staff across council services can work well towards a common and urgent purpose, as highlighted in [Exhibit 11](#).

Exhibit 11

Working through the Covid-19 pandemic

The council developed several initiatives to support its communities.

Employment and Training Unit

The council's Employment and Training Unit ensured that more than 800 people could continue to develop employability skills during Covid-19 by providing virtual support, replacing typical face-to-face learning. The unit supports young people in Falkirk who wish to develop skills outwith traditional higher or further education settings. The service offers a range of support, from specific training and qualifications to wider life skills in wellbeing, health and finance. The team also directs people to other services to help with challenges arising from Covid-19. It has been successful in securing jobs for some, despite the fragile employment market, in areas such as health and social care, retail, food and administration.

Summer Takeaway – combating learning loss and food poverty

The aim of the Summer Takeaway project was to mitigate the impacts of lost learning and food insecurity resulting from the Covid-19 pandemic on a target group of Falkirk High School pupils. It helped the pupils and their families to become more resilient, as well as giving families ways of becoming more involved in their child's learning.

Seventy-one pupils and their families were identified and provided with a range of learning resources for the school holidays. This included providing learning devices through Connected Scotland and Connected Falkirk, food parcels or vouchers, if needed, and activity bags and puzzles to help families work together. Community Learning and Development (CLD) staff helped participating pupils and their families on a bi-weekly basis to complete learning and development tasks that they had set for themselves.

An independent evaluation found that the participation rate of the 71 pupils and families/carers involved was 91 per cent, compared with a mean school attendance/participation rate for the target group of 76 per cent. It also found that 19 young people achieved a 100 per cent attainment/completion rate; these young people were awarded a Dynamic Youth Award.

As a direct result of their experience, eight families are continuing with family learning and Falkirk High School has committed funding to invest in a full-time CLD worker who will deliver youth work and family learning.

Source: Audit Scotland

41. Covid-19 has also been a catalyst for other several important improvements to the way the council works. Senior officers have highlighted that the council's leadership team is now working more effectively as a team than it did previously. The chief executive has also introduced weekly meetings with political leaders of all parties to discuss key issues. Covid-19 has also been a catalyst for the council to work with the third sector in engaging its communities more effectively and rapidly increasing its use of digital technology to support effective working and the delivery of essential services.

The council has appropriate governance structures, but significant delays in taking some key decisions are impacting on the pace of change

42. The council has appropriate governance arrangements in place to support effective decision making and scrutiny. Regular and consistent communication and decision-making arrangements were developed in response to Covid-19. In May 2020, the council amended its decision-making body structure to include an Emergency Executive committee. The committee's remit was to take all decisions for the council (other than regulatory matters) that allowed it to respond to the emergency and plan for recovery, or which were significant or time critical. The Emergency Executive met every two weeks and ran until September 2020, at which point the council reverted to its normal governance arrangements.

43. All committee meetings have been available online since May 2020, with council meetings being streamed live on the council's YouTube channel from October 2020.

44. Governance arrangements are supplemented by a range of cross-party member/officer forums introduced to support closer working. Despite this, elected members do not always work together in support of the council's priorities and Best Value. As a result, there continue to be significant delays in making key decisions on flagship council initiatives designed to deliver its priorities. For example, the council has been debating proposals to replace its headquarters since 2014. It most recently considered this transformation project in September 2021 but failed to reach agreement on a way forward. Similarly, difficult budget decisions have been deferred in favour of using reserves ([see Paragraph 66, Part 3](#)) despite the challenging financial position.

Part 2

How well is the council performing?



National data shows that Falkirk has many relatively positive outcomes compared with other council areas. It demonstrates strong performance in some important services such as education and housing.

The council has a clear focus on addressing aspects of adult and children's social care where its performance has been poorer.

Customer satisfaction with Falkirk Council is generally low and has been deteriorating.

The council has recently started to address previously highlighted weaknesses around the performance information reported to committees and the public. These have impacted on elected members' ability to scrutinise the council's performance.

Community Planning Outcomes Profile indicators show that several local outcomes improved between 2015/16 and 2019/20

45. The Improvement Service publishes Community Planning Outcome Profile (CPOP) indicators each year to assess important life outcomes in an area and whether they are improving. These indicators cover, for instance, early years, older people, safer/stronger communities, health and wellbeing, and engagement with local communities.

46. Latest CPOP data (2019/20) shows that Falkirk's outcomes were better than the national average in 10 of the 17 indicators. Its outcomes were also better in 11 of the 17 indicators compared to similar councils (that is, those in its family group).

47. Between 2015/16 and 2019/20, Falkirk's performance improved for eight of the 17 CPOP indicators, including an increase in employment rate, an increase in median earnings and a reduction in carbon emissions for the area. However, the rate of improvement for five of the eight improving

indicators, including these three, was at a slightly lower rate than for the Scottish average and the family group. Performance against child poverty and unplanned hospital attendances declined over the period, although at a lower rate than the Scottish average.

Local Government Benchmarking Framework data shows that some of the council's important services, such as housing and education, are performing well

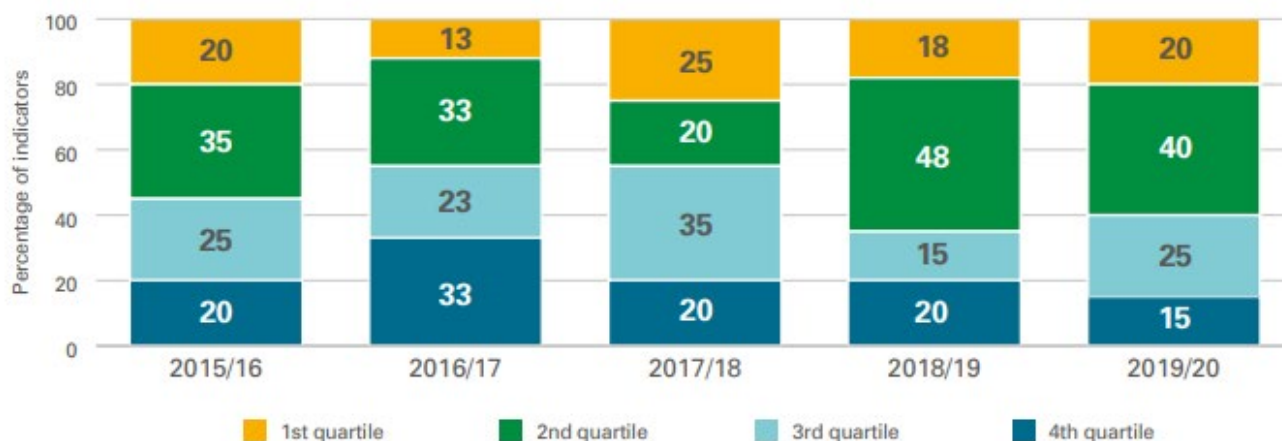
48. Each year, the Improvement Service publishes the Local Government Benchmarking Framework (LGBF). This brings together a wide range of performance information for all Scottish councils including information on how well they are delivering services, the cost of services and residents' satisfaction. The LGBF contains a total of 97 performance, cost and satisfaction indicators across all council services that allow councils to monitor performance consistently over time.

49. The LGBF allows individual councils to compare their performance with that of other councils and with Scotland as a whole. Relative performance is assessed by dividing performance against indicators into four quartiles, with quartile one representing the top councils in Scotland, and quartile four representing the poorest performing councils. Although there are 97 indicators included in the LGBF, our relative performance analysis compares only 40, mainly outcomes-based, indicators that have been reported on each year between 2015/16 and 2019/20. Falkirk Council's performance relative to other councils has improved since 2015/16. ([Exhibit 12](#)).

Exhibit 12

Falkirk Council's performance relative to other councils, 2015/16 to 2019/20

The percentage of indicators in which the council performed in the top half of all councils increased from 55 per cent in 2015/16 to 60 per cent in 2019/20



Notes:

1. Our analysis is based on 40, mainly outcomes-based, indicators which were reported every year within the five-year period. The analysis excludes satisfaction and most cost-based indicators as high or low cost cannot be easily determined as positive or negative as these may be influenced by a council's priorities and local circumstances. Due to comparability issues, indicators related to education attainment have also been excluded.
2. The collection of some social care data included in the analysis was impacted by Covid-19 and these indicators have therefore been calculated slightly differently for 2019/20.
3. Data for the social work indicator 'rate or readmission to hospital within 28 days per 1,000 discharges, was reported as calendar year in 2019/20. Due to completeness issues, some of Falkirk's data for 2019 has been estimated.

Source: Local Government Benchmarking Framework, Improvement Service, 2019/20

50. The Covid-19 pandemic has affected the comparability of 2019/20 education data with previous years. The cancellation of exams in 2020 meant the grades were awarded based on teacher estimates therefore cannot be used for trend analysis. However, excluding 2019/20 data, the council still demonstrates strong and improving performance in education services. It has achieved year-on-year improvement across the educational attainment indicators, since 2015/16. The March 2021 report [Improving Outcomes for young people through school education](#) highlights that Falkirk was the most improved council in two of four key senior phase educational attainment indicators over time.

51. The council is performing well in housing services, with performance improving in three out of five indicators and being above the Scottish average. The percentages of houses that meet the Scottish Housing Quality Standards and energy efficiency standards are among the highest in Scotland. The council also performs well in the average time taken to complete non-emergency repairs, which has been improving year-on-year since 2015/16.

The council is taking action to improve services in which performance is poorer

52. Adult social care continues to be an area in which Falkirk performs relatively poorly compared with other councils. Over the five-year period from 2015/16 to 2019/20, its performance deteriorated in seven out of nine adult social care indicators, although with more evidence of improvement over the last year.¹ The number of days people spent in hospital when ready to be discharged increased from 864 to 1,020 days (per 1,000 population over 75) between 2015/16 and 2019/20 and is about a third higher than the national average. However, the number of days did decrease from 1,178 days in 2018/19. Reducing the number of delayed discharges has been a focus for the Integration Joint Board (IJB). Its own data shows that changing the way community hospital beds are used resulted in a 44 per cent reduction in the average number of occupied bed days by patients ready for discharge between October 2019 and September 2020.² This is discussed further in [Part 4](#).

53. The proportion of children looked after in the community has traditionally been lower in Falkirk than the Scottish average, with a higher proportion looked after in residential care or outwith the council area. The council is trying to address this through its Closer to Home project, one of the COTF priority projects. This project aims to improve the council's service and the outcomes for care-experienced children, as well as striving to make almost £7 million of budget savings by 2025/26.

54. The council has made improvements to its children's social care services, including recruiting more foster carers and remodelling its residential care services. This has improved outcomes for care-experienced children and delivered savings of about £1.5 million since 2019/20 ([paragraph 73](#)). One impact of Covid-19 is that the planned five-year timescale of the Closer to Home project has been extended to seven years, meaning that there will be a delay in achieving intended outcomes.

Satisfaction with council services is generally declining but satisfaction with housing services is high

55. The LGBF contains seven satisfaction indicators. Levels of satisfaction with Falkirk Council have declined in six out of the seven indicators over

¹ This excludes cost indicators








² Falkirk IJB Performance Monitoring Report, November 2020.

the last five years, with the level of satisfaction increasing only for schools ([Exhibit 13](#)). Falkirk Council also performs below the Scottish average in six of the seven indicators, with the level of satisfaction being above average only for leisure facilities.

Exhibit 13

Falkirk Council's performance against LGBF satisfaction indicators and compared with national performance, over the last five years

The council's performance has declined in six of the seven satisfaction indicators over the last five years

	Falkirk Council		Scotland average	Quartile
	2015–2018	2017–2020	2017–2020	2019/20
 Adults satisfied with local schools	70%	71.4%	71.83%	3rd
 Adults satisfied with libraries	76%	69.97%	72.37%	3rd
 Adults satisfied with parks and open spaces	88.67%	80%	83.5%	3rd
 Adults satisfied with museums and galleries	59%	58.8%	69.3%	3rd
 Adults satisfied with leisure facilities	77.33%	72.67%	70.1%	2nd
 Adults satisfied with refuse collection	69%	62.23%	74.3%	4th
 Adults satisfied with street cleaning	71.33%	60.6%	62.63%	3rd

Source: Local Government Benchmarking Framework 2019/20, Improvement Service, 2021

56. In February 2021, the council undertook a customer perceptions survey with its Citizen's Panel to gauge how the people of the Falkirk area perceived Falkirk Council. The survey received a low response rate of 17 per cent and the results present challenges to how the council works ([Exhibit 14](#)). Respondents are least positive about the council providing value for money and involving them in how it spends its money. The council is using these results to improve its engagement with, and reporting to, communities. It intends to carry out the survey annually to monitor its progress against a suite of customer perception indicators.

Exhibit 14

Selection of results from the council's customer perceptions survey, February 2021

Perceptions of the council providing value for money and involving customers in how it spends its money are low

	Strongly agree / agree	Strongly disagree / disagree
The council involves people in how it spends its money	25.6%	44.9%
The council represents local people's views	19.9%	40.3%
The council asks local people for their ideas	54.6%	27.3%
People can influence decisions affecting their local area	21.6%	53.4%
People want greater involvement in making decisions in their local area	82.4%	2.8%

Source: Falkirk Council Customer Perceptions Survey, 2021

57. In contrast, satisfaction with housing services is high according to the council's Landlord Report 2020, which reports on the council's performance against the Scottish Social Housing Charter. 91.8 per cent of tenants are satisfied with the overall service provided by their landlord compared to 89.2 per cent Scottish average. 93.5 per cent of existing tenants are satisfied with the quality of their home, compared to the Scottish average of 87.2 per cent.

The council's performance reporting now more clearly shows progress against its corporate priorities, and the information provided to elected members is being developed to support effective scrutiny

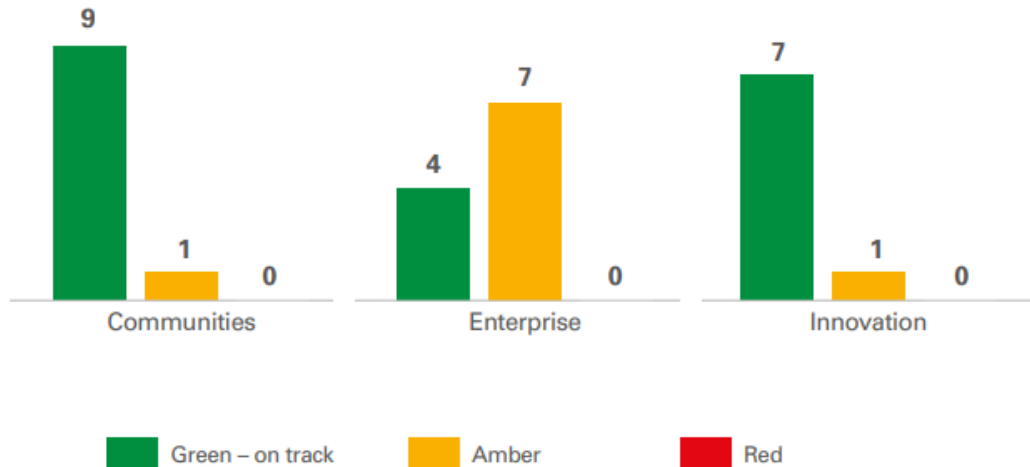
58. The council reports LGBF data annually, with the most recent LGBF data covering 2019/20 reported to the Scrutiny Committee in April 2021. The report showed the council's performance in 2019/20 and compared this with the previous year's performance and the Scottish average. To allow more effective scrutiny and to support improvement, the council's reporting on LGBF performance to the Scrutiny Committee needs to be more detailed. For example, highlighting indicators in which the council performs in the bottom quartile and identifying the actions being taken to improve performance would be beneficial.

59. Officers report on the council's performance to elected members through updates on its Corporate Plan, submitted to the Scrutiny Committee. Performance is reported against 30 relevant actions as well as 26 performance indicators taken from the LGBF that the council has identified as being most relevant for demonstrating progress towards delivering on its three corporate priorities of communities, enterprise and

innovation ([Exhibit 15](#) and [Exhibit 16](#)). The June 2021 update on progress of the Corporate Plan, noted that 21 actions are currently on track. Of the 26 LGBF indicators, performance has improved for 12, decreased for ten and remained unchanged for one.

Exhibit 15
Progress of actions by corporate priority

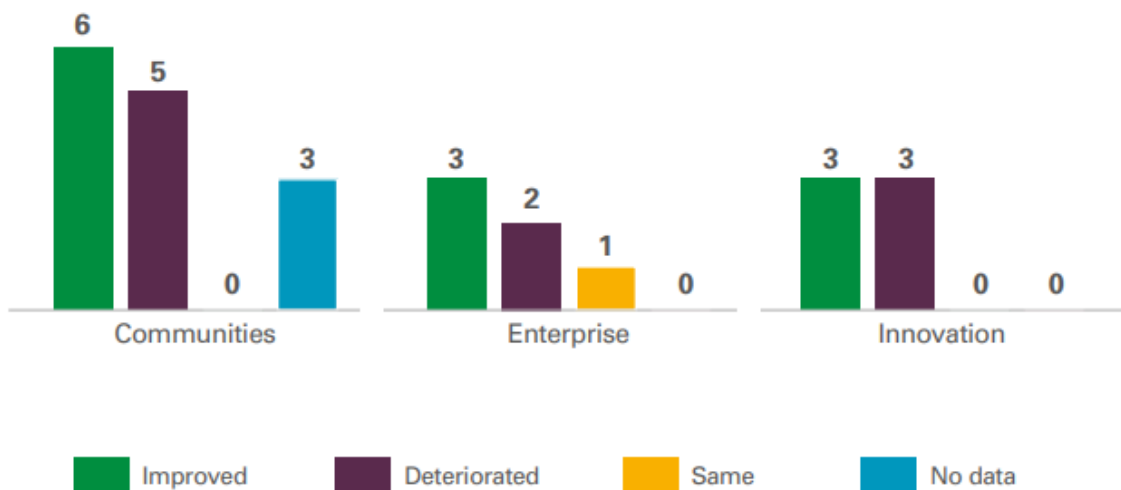
Of the 30 actions in place to achieve the council’s 2020-22 corporate priorities, 21 are on track.



Source: Falkirk Council, Scrutiny Committee report, June 2021

Exhibit 16
Progress of indicators by corporate priority, based on 2019/20 LGBF data

Between 2018/19 and 2019/20, performance improved against almost half of the 26 LGBF indicators used to assess corporate performance.



Source: Falkirk Council, Scrutiny Committee report, June 2021

60. The council redesigned its performance management framework (PMF) in June 2021. To support this work, the council engaged the Improvement Service to undertake a self-assessment of its PMF. Since then, it has started to address the areas for development previously identified by the appointed auditor. The council is introducing changes to try and establish its PMF as a continuous improvement tool including:

- launching the [Falkirk Performs](#) webpage in August 2021 for reporting performance (see [paragraph 63](#))
- introducing performance review statements as monthly dashboards at service and council level, to show performance against council priorities using a red, amber or green (RAG) status. These are considered by service management teams and are made available on the elected members' portal and on Falkirk Performs webpage
- establishing a Performance Forum, a working group that will have oversight of performance management across the council and support the continuous improvement element of the PMF.
- carrying out customer surveys / polls in autumn 2021 to measure progress against the baseline results gathered on customer perception indicators in February 2021, as set out in [paragraph 56](#) above.

61. The council's performance reporting against its priorities now more clearly demonstrates whether they are being achieved. This addresses a previous weakness where reporting did not allow elected members to effectively scrutinise whether the council was delivering against its agreed priorities and making appropriate improvements. There remains scope to improve performance reporting further, for example outlining specific actions being taken to make improvements in areas of underperformance.

Public performance reporting has been poor but is improving and being developed further to make it easier for the public to hold the council to account for its performance

62. Councils have a duty under the Accounts Commission's Statutory Performance Indicator (SPI) direction to publish performance information that allows the public to understand how councils are performing and whether they are achieving value for money. Previous Best Value reports and Annual Audit Reports (AARs) have consistently highlighted the need for the council to address gaps and weaknesses in its performance reporting. The council has not published an annual performance report since 2015/16, making it difficult for the public to understand how its services are performing.

63. In August 2021, the council introduced the public performance page, Falkirk Performs, on its website. This provides the public with a range of information on the council's performance, including information on customer satisfaction, complaints, and a full list of its performance

indicators. The information on Falkirk Performs provides the public with a good basis for understanding the range of performance data available. There is, however, a lack of any narrative explaining what the indicators actually measure or explanations of performance or actions being taken to improve performance. Performance targets are also not easily accessible on the Falkirk Performs webpage.

Part 3

Is the council using its resources effectively?



The council has a medium-term financial plan, but this does not address the full extent of its £70 million projected funding gap over the next five years.

Elected members typically opt to use reserves to balance annual budgets rather than accepting savings options identified by officers. This is not sustainable, particularly as the council needs to increase the scale of transformation and the pace at which it delivers savings if it is to address budget gaps effectively.

The council manages its annual revenue budgets well but consistently under-delivers on its capital programmes. Officers provide elected members with detailed financial reports on spending against plans. However, it remains difficult to verify the level of savings achieved through transformation.

The council has a well-developed up-to-date workforce strategy that identifies key risks and outlines mitigating responses. It has been proactive in embedding the living wage into its pay structures.

There is an increasing need to make difficult decisions to balance budgets in future years

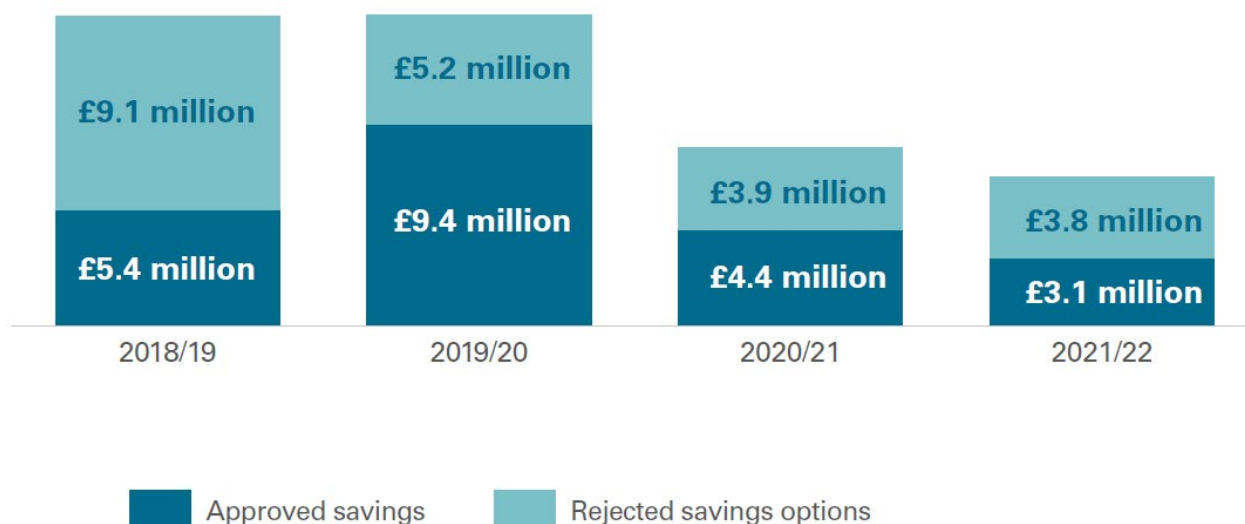
64. The council has well-established cross-party budget working groups in place to support the development of savings plans in preparation for approval of the annual budget in February/March each year. The working groups are used to present a range of savings proposals to offer members options for the savings they accept within the budget. The administration's budget proposals are presented to council, along with a tabled amendment from the main opposition group. In February 2020, the administration was unable to secure enough support for its proposals, and additional savings options of £1.6 million were rejected by council.

65. Over the life of the current minority administration, members have accepted only about half of the options presented to them ([Exhibit 17](#)). Some options have been rejected despite their potential to offer transformational change and being clearly linked to COTF projects. For example, in March 2021 members rejected the proposal to generate efficiencies of £400,000 by cutting service levels and 27 FTE posts over three years linked to the use of technology to allow more efficient routing of refuse collection vehicles and the use of smart technology bin sensors to allow a more targeted approach to service delivery. Another proposal to introduce a phased programme of closing Community Education Centres, with potential savings of £200,000, to allow the redesign, reprioritisation and reduction in the provision of the Community Learning & Development Service was not taken.

Exhibit 17

Budget savings options approved (£ millions), 2018/19 to 2021/22

The council accepts around half of the savings options presented to it as part of the revenue budget



Source: EY

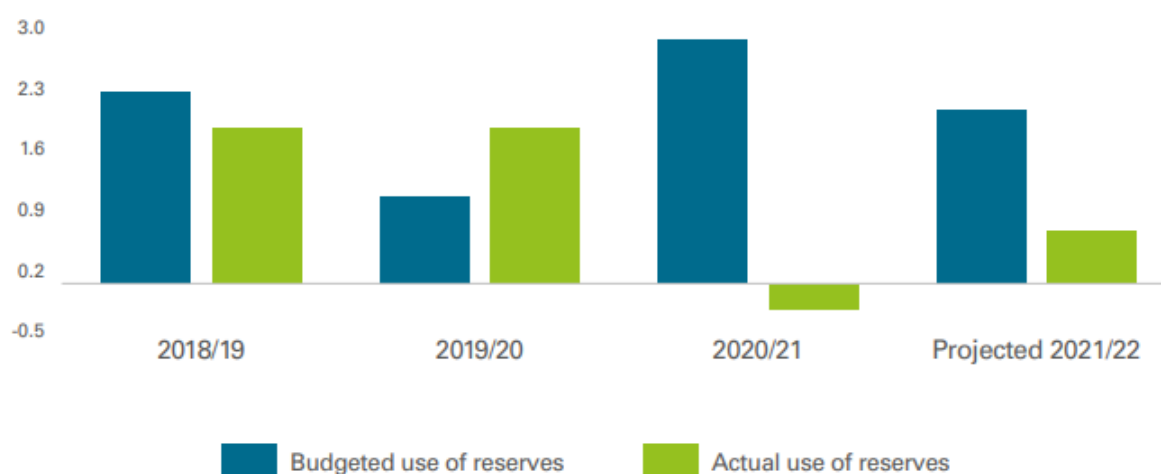
66. In each of the last four years, the council has opted to use reserves to balance its annual budget rather than accept all of the savings proposed. Savings of between £3.1 million and £9.4 million have been achieved in each of the last four years, totalling £22.5 million, mainly because of reductions in services and staff. During the period, the council accepted staffing reductions equivalent to 309 full-time equivalent (FTE) staff members, although this has been offset by increased staffing in response to Scottish Government-funded priorities, including expanding early learning and childcare.

67. Except for 2019/20, the council's use of reserves in the past four years has been lower than budgeted ([Exhibit 18](#)). In the last two years, this has been achieved only because of higher than forecast Scottish Government grant income, including funding in relation to the pandemic. The council's reserve balance of £9.8 million in 2020/21 has remained within the target level in its reserves strategy of between two per cent of net service expenditure and two per cent of gross expenditure, which equates to £7.5 to £11 million.

Exhibit 18

Falkirk Council's use of reserves, 2018/19 to 2021/22

In total across the last four years, the council has used less reserves than budgeted.



Source: EY

68. Like many other councils, Falkirk Council's unearmarked reserves have declined over the last four years. In 2020/21 and 2021/22 its reserves have been higher than projected because of the additional financial support provided by the Scottish Government to help with additional costs resulting from Covid-19. Significant areas of uncertainty may result in a further call on reserves, however, including the outcome of the current year pay award. Any further reduction in reserves would limit the council's ability to respond to future budgetary pressures or unexpected issues.

The council's medium term financial plan does not reflect the scale of the financial challenges it faces

69. The council developed its first five-year medium term financial plan (MTFP) in 2017 and has updated its MTFP at least annually. The current plan, approved in September 2020, covers three years as the council

decided it was more prudent to plan over a shorter timescale due to the uncertainties surrounding Covid-19.

70. Officers presented members with a refreshed five-year MTFP as part of the Business Plan in May 2021. Projections at that time outlined a five-year budget gap of £70.8 million, compared to the £20.8 million gap over three years within the existing three-year plan. The scale of the projected budget gap has increased significantly over the next three financial years ([Exhibit 19](#)). At the same time projected savings from COTF have reduced from £23.6 million projected in May 2019 to £14.9 million (with COTF accounting for around 30 per cent of all savings required). The MTFP projects that savings of £6.8 million will be achieved through the use of zero-based budgeting (ZBB) by 2025/26. Unidentified savings of £18.3 million remain over the five-year period.

71. Because of continuing concerns about the impact of Covid-19, the council rejected the updated MTFP/Business Plan until it felt there was more clarity around the economic impact of the pandemic on local government. As such, its current medium-term financial plan does not fully outline the significant scale of the financial challenges it faces. Members considered a budget report in October 2021 that set out the latest budget gap estimates. As shown in [Exhibit 19](#), the budget gap for 2022/23 has grown to £24.6 million.

Exhibit 19

Projected budget gaps 2021/22 – 2025/26

The council's latest projected budget gaps (identified in a proposed, but not adopted, five-year MTFP/Business Plan in May 2021 and budget update in October 2021) show a notable increase from those in its current three-year MTFP/Business Plan agreed in September 2020

	2021/22	2022/23	2023/24	2024/25	2025/26
Projected budget gaps					
September 2020	£13.5m	£7.7m	£7.6m	-	-
May 2021	£17.4m	£18.1m	£10.3m	£13.9m	£10.7m
October 2021		£24.6m	£17.6m	£14.4m	£10.7m

Source: Falkirk Council

Despite persistent overspends in children's services, the council manages its finances well

72. The council has good arrangements to monitor its finances. Its financial reporting is clear and consistent and provides elected members with explanations for significant movements. Following recommendations from external audit, it has made recent improvements to financial monitoring reports to make savings achieved through transformation clearer. Progress in delivering all savings agreed by members is now tracked through financial reports throughout the year, allowing for better scrutiny. However, planned internal audit work to verify the savings has been delayed because of resourcing constraints during the Covid-19 pandemic.

73. Most council services have a good track record of balancing their budgets each year. The exception to this is the children and family social work service, which has recorded overspends for many years, including £8 million across 2019/20 and 2020/21. The overspend in these recent years was attributed to the introduction of continuing care and after care. Closer to Home, one of the top 10 priority COTF projects, aims to ensure the sustainability of children and family social work services. Closer to Home has delivered £1.5 million of savings over this two-year period, with further planned savings of around £5.4 million by 2025/26. The size of the budget overspends highlights the importance of this project being successfully delivered on time.

The council has yet to adopt good practice in preparing multi-year revenue budgets

74. The council continues to present an annual revenue budget and a five-year rolling capital budget strategy. The Accounts Commission noted that almost half of councils in Scotland now prepare multi-year revenue budgets, covering three or five years (para 37 [Local Government in Scotland Financial overview 2019/20 \(audit-scotland.gov.uk\)](#)). A three-year revenue budget is at the lower end of what the Accounts Commission would consider as adequate medium-term financial planning.

75. As is the case with other councils, delays in the announcement of UK and Scottish Government budgets made it challenging for the council to set its budget for 2021/22. As a result, significant changes were made to the budget early in the financial year because Scottish Government funding exceeded expectations.

76. The council forecasts an acute financial challenge in 2022/23, with its latest estimate being a gap of £24.6 million. Significant service savings of £8.5 million are being targeted to help bridge this gap, along with short-term funding measures. The council's budget update in October 2021

shows that using an additional £1 million of reserves and using flexible funding arrangements linked to Covid-19 to roll forward £5.3 million into 2022/23 would still leave an unidentified budget gap of £8.8 million in 2022/23. The council has noted that planned service savings will be difficult to achieve, highlighting the increasing importance of it delivering its COTF priority projects to address these increasing financial challenges.

The council has persistently under-delivered against its capital programme

77. The council's significant capital programme is intended to support key investments that will aid the economic recovery in Falkirk. The appointed auditor has previously commented on the council's persistent slippage in delivering its capital budgets each year.

78. In 2019/20, the council spent only 71.8 per cent of its capital budget. In 2020/21, the council revised its general fund and housing capital budget downwards to reflect its perceived difficulty in progressing projects during lockdown. Despite this, it spent only 48.8 per cent of the revised capital budget, leaving around £67 million unspent. As the impact of lockdown arrangements on the capital plan became clear, the council agreed to reallocate a £2 million underspend to other priority projects such as roads and digital investment.

79. Capital projects with significant underspends include new build housing, housing improvements, school extension work and ICT improvements, including delays in rolling out Connected Falkirk in schools. These projects have a direct impact on local people. There is also a risk that the cost of those projects may increase because of construction inflation and associated Covid-19 costs.

80. The council has approved a five-year capital strategy to align with its capital asset management framework. Its aim is to ensure that capital investment is prioritised in line with its strategic aims and objectives. Consistent officer membership of the Corporate Asset Management Group and the Capital Planning and Review Working Group (CPRWG) allows close working and alignment of plans. All investment proposals require the preparation of business cases and options appraisal.

Good progress has been made in workforce planning

81. The council has a detailed workforce strategy, which was updated in September 2020. This highlights key workforce risks, including those associated with an ageing workforce. The council reports that in 2020, over 25 per cent of its workforce were over the age of 55 and less than six per cent were under the age 24. The council has outlined effective responses to address this risk and to diversify its workforce, including its Refreshing the Workforce initiative.

82. The council faces the challenge of delivering meaningful change whilst also reducing the size of its workforce. It has recently improved its modern apprenticeship programme to build both succession planning and diversification of the workforce into longer-term workforce planning. To support this, the council is actively looking to replace existing staff looking to leave with a modern apprenticeship or new graduate as part of the business case for voluntary severance.

83. The IJB has highlighted significant concerns about recruiting social care staff and other “hard to fill” posts, including social workers. Further work is needed with partners to support the development of longer-term plans.

84. The workforce strategy is supported by a coherent workforce plan that links to the priorities within the corporate plan and COTF programme. This shows planned reductions in overall staff numbers of 207.2 FTE over a three-year period to 2023/24. How realistic the plan is will depend on budget decisions and the degree of transformation achieved.

85. The council has been proactive in embedding the living wage into its pay structures and has worked positively with trade unions to secure this.

Part 4

Is the council working well with its partners?



The council has strong and positive working relationships with local partners. These have supported an effective joined-up response to Covid-19 as well as new important developments, such as the Falkirk Growth Deal.

Partners have developed a well-informed and ambitious new Falkirk Plan but have failed to develop the required locality plans. The Community Planning Partnership (CPP) has not been able to demonstrate whether it is delivering positive outcomes for its communities but aims to address this through reporting progress against its the new Falkirk Plan.

The council has made limited and slow progress in empowering local communities, but this is now a greater priority. It has strengthened its capacity to work better with communities and this has resulted in a positive shift in approach and culture in engaging communities in the last two years.

Improved joint working between the council and NHS Forth Valley during the pandemic meant that the IJB worked more effectively. The IJB has taken significant steps to shift the balance of care, but key services have yet to be fully integrated, falling short of the expectations within legislation and affecting the IJB's ability to deliver transformational change.

The council has decided to wind up the Falkirk Community Trust and bring sport, leisure and cultural services back in-house from April 2022 as it sees long-term benefits to this decision. However, the additional costs this decision will incur pose a significant risk to value for money, unless it takes difficult decisions quickly. The

council has begun doing work to reduce total staffing costs to mitigate these risks.

Strong working relationships between the council and its partners and neighbouring authorities have underpinned some positive developments, including responses to the Covid-19 pandemic and the Falkirk Growth Deal

86. The council works closely with the third sector, communities and many partners including NHS Forth Valley, Police Scotland, Scottish Fire and Rescue, Forth Valley College, Scottish Canals, businesses, third-sector organisations and neighbouring councils, across a wide range of partnerships and forums. These include the CPP, the HSCP and the Economic Partnership.

87. Partners have told us that historically there have been strong and positive working relationships between partners in Falkirk. In recent years, these good relationships have allowed partners to work well together in their joint response to the pandemic and in developing new plans to reduce poverty and inequalities in Falkirk.

88. The council set up a 'support for people service' in March 2020 as a rapid response to the Covid-19 emergency. Its aim was to make sure people had access to food, medicine and essentials under lockdown. Council staff played the role of broker, connecting people to voluntary organisations and the service became a conduit between people in need and community groups and the huge number of local volunteers who registered to volunteer during the pandemic.

89. A database of community groups was created, based on their location and how they could help citizens. That meant council staff could quickly direct funding and people to the right volunteers. Since the service was established, it supported more than 10,000 people through self-isolation grants, food parcels, medical supplies and financial advice. It is important that the council and its partners build on and strengthen existing community networks as they work through plans for the pandemic recovery.

90. During the pandemic, the council has worked closely with NHS Forth Valley and Stirling and Clackmannanshire Councils to jointly manage the response to the pandemic across Forth Valley. Falkirk Council was responsible for mapping and monitoring mass fatalities across the area to understand the demand for burials and cremations and make informed decisions during the crisis. The model adopted in Forth Valley was a good practice example of a collaborating response in a crisis and it has been promoted for use nationally.

91. Falkirk Council is working closely with a range of partners including Forth Valley College, Scottish Canals, INEOS and others in the Falkirk

Economic Partnership and the Falkirk and Grangemouth Investment Zone. This aims to deliver the area's economic strategy and encompasses a variety of funding including the £67m Tax Incremental Financing (TIF) initiative and the Falkirk Growth Deal³. Announced in July 2020, the Investment Zone will be delivered over a ten-year period from 2022, with £90 million to be invested in projects funded by the UK and Scottish Governments. Some of the projects planned as part of the Investment Zone include Grangemouth becoming the UK's innovation district for sustainable chemical and manufacturing excellence, creating Falkirk Arts Centre and Scotland's Canal Centre for Excellence and Innovation. The council and its partners are planning to prepare full business cases for the project to commence in 2022/23.

The Community Planning Partnership has not demonstrated whether it has made progress towards agreed objectives and to delivering positive outcomes for its communities

92. Although there have been some examples of effective partnership working across Falkirk, a lack of performance reporting by the CPP makes it difficult to identify how much these strong partnerships have contributed to improving outcomes for local people. It is unclear if the CPP has been successful in achieving its objectives as it has not produced an annual performance report in relation to its previous Strategic Outcomes and Local Delivery (SOLD) plan 2016–2020 in the last three years.

93. The CPP has identified that performance monitoring and reporting need to improve to allow partners to better understand what interventions have made a difference to outcomes and to ensure that the CPP is more accountable to communities. The CPP is working to improve performance management and reporting against its new Falkirk Plan 2021-2030. It has developed delivery plans against which it can report progress.

³ Regional growth deals are agreements between the Scottish and UK Governments and local government that are designed to bring about inclusive and sustainable economic growth to regional economies. Growth deals are delivered by regional partnerships led by authorities working with the private sector, education and skills providers, and enterprise and skills agencies.

The Community Planning Partnership has recently published a new, ambitious and well-informed ten-year plan for Falkirk

94. In 2020, the CPP reviewed its SOLD plan as it started to prepare its new ten-year Falkirk Plan 2021-2030. This was published in November 2021. Along with the Falkirk Plan, the CPP is developing a performance management framework, a monitoring schedule and performance indicators.

95. The Falkirk Plan is underpinned by a comprehensive joint assessment of needs. This assessment has allowed the CPP to identify priority issues. The development of the new Falkirk Plan has also been effectively supported by a range of other activities, such as community engagement, the consideration of community discussions, an evaluation of the current SOLD plan, local and national policy and partnership mapping.

96. The 23 partnership outcomes proposed in the Falkirk Plan 2021-2030 show clear ambition for the area, with some going beyond what the Scottish Government is striving to achieve nationally. For example, one desired outcome is to reduce carbon emissions to net zero by 2030, well ahead of the national target of 2045 ([Exhibit 20](#)).

Exhibit 20 Climate change

The Falkirk Council area has the highest level of carbon emissions in Scotland due to the location of the Grangemouth refinery and petrochemical complex. Tackling climate change is the aim of a COTF priority project, with the CPP having an ambitious target of being carbon net zero by 2030 and net zero for all emissions across the Falkirk area by 2045.

To date, the council has worked to reduce its impact on the environment by introducing energy efficiency measures, including energy-efficient heating, lighting and insulation, across some of its school, leisure and social work buildings, introduction of LED street lighting, a council-wide ban on single-use plastics and training for drivers in fuel efficiency.

In striving towards its ambitious target, the council is working towards ensuring that climate change considerations are embedded in all its decisions and activities, including future budget considerations. It is also working in partnership with other agencies whose actions can reduce carbon and have a beneficial impact on the local environment.

Source: Audit Scotland

The Falkirk Community Planning Partnership has revised its governance and delivery arrangements to be more efficient and to better support the new Falkirk Plan

97. In January 2019 the CPP carried out a self-assessment of its way of working. Key issues highlighted by partners in this assessment were that the arrangements for governing the partnership created duplication in meetings, that partners could better prioritise their partnership activities and that the CPP could improve its performance monitoring. In early 2020, the CPP introduced a revised governance structure. This has reduced duplication and helped to improve decision-making. It has involved the merging of the CPP Strategic Board and CPP executive groups into a single CPP Board to provide more streamlined leadership and oversight.

98. The CPP delegates responsibility for delivering the priorities and outcomes in the Falkirk Plan to delivery groups and partnerships ([Exhibit 21](#)). The intention is for these delivery groups to follow a measurable delivery plan for each outcome they are responsible for. Delivery plans will be made publicly available and each outcome reported on annually to ensure that the partnership is accountable to its communities.

99. It is important that community planning partners clarify how they intend to align the aspirations and priorities set out in the new Falkirk Plan with budgets, to ensure that they have sufficient resources to deliver on the plan's objectives.

Exhibit 21 Falkirk CPP's delivery structure

The Falkirk CPP has delivery groups and partnerships that contribute to delivering the themes and outcomes in the Falkirk Plan 2021–2030



Source: Falkirk CPP

The Community Planning Partnership has struggled to introduce required locality plans to empower communities and improve outcomes in the areas of greatest need

100. Apart from developing a community plan for the whole council area, the Community Empowerment (Scotland) Act 2015 requires CPPs to develop at least one locality plan for the area by 2017. The Falkirk CPP has been developing its three locality plans for the Central, East, and West areas over the last four years, but they are still to be completed and published.

101. Progress towards completing the plans has slowed down recently due to the pandemic. Plans for the East and West localities are in draft form and the plan for the Central locality is still being developed. In August 2021, the CPP agreed to refresh the plans through planned engagement activities with locality groups, finalise them and then publish them between spring and summer 2022. It is important that the CPP finalises these delayed locality plans as soon as possible and that progress towards achieving their objectives is regularly reported to the CPP Board.

Having previously made limited and slow progress in empowering its communities, this is now a greater priority for the council and Community Planning Partnership

102. The council's business and corporate plans demonstrate its ambition to make community empowerment a priority, central to delivering council services in Falkirk. Working in partnership with communities is the top priority out of six themes in the CPP's Falkirk Plan 2021-2030 (see [Exhibit 3, page 14](#)). The CPP has tasked the newly established Community Empowerment Group with delivering four outcomes underpinning this theme:

- communication with our communities is improved
- community-led organisations are stronger and more independent
- more decisions are made together at a local level
- social, community and economic planning focuses on place, and reflects the needs and aspirations of the people that live there.

103. The council has invested in more resources to support its ambition of consulting more effectively with communities and better empowering local people to deliver services. This includes increasing the size of its communities team from two to ten people over the past two years.

104. The Community Empowerment (Scotland) Act 2015 (the Act) makes it easier for communities to take ownership of land and buildings, in a process known as asset transfer. Falkirk Council has introduced an asset transfer policy outlining the principles and stages of the process and

provided funding and support to help communities to manage properties and related costs. Since the Act came into force in October 2015, there have been 11 expressions of interest in asset transfers. As at the end of August 2021, three asset transfers had been approved. No asset transfer requests were received in 2020/21. One request (the Tamfourhill Community Hub) that was submitted seven years ago is still in progress.

105. The Community Empowerment Act also introduced participatory budgeting for communities to give local people a greater say in how councils spend some of their funds. Since the introduction of the Act, the council's progress in participatory budgeting has been relatively slow and limited.

106. In February 2021 the council launched Community Choices, its new participatory budgeting initiative. Community Choices includes both small grants and capital funds amounting to £3.14 million over two years: £140,000 for small grants of up to £1,500 and £3 million in capital funding for bids exceeding £5,000, for building something new, improving an asset, and purchasing equipment. Since the initiative was launched, the council has received 47 expressions of interest for small grants and 66 for capital funding. The public was asked to vote on which should be awarded funding and following this, 36 projects were awarded small grants and 23 projects were awarded capital funding. A further round of Community Choices was due to be launched in autumn 2021.

107. The Community Empowerment Act also allows residents to influence council decisions through formal participation requests. Across Scotland, the 32 councils received a total of 45 participation requests between 2017/18 and 2018/19. Falkirk Council received one participation request which was accepted in April 2021. It was from a community group that wanted to be included in determining the outcome of a sport centre that was scheduled to close.

The council is improving how it engages with communities

108. The council agreed its Community Engagement Strategy 2019-2024 before the Covid-19 pandemic. The council has used a range of engagement methods, such as postal surveys, public presentation of proposals, face-to-face surveys, local public meetings, focus groups, the *Tenant Talk* magazine, online consultations, knowledge hubs, one-to-one interviews, telephone calls, roadshows, committee papers, letters, emails, hackathons, social media, newsletters, volunteer events, workshops, and the council's website.

109. The approaches and consistency differ depending on the council service, for example, the housing service has engaged with communities more often than other services. The council has strengthened its commitment to community engagement over the past 18 months, working with the third sector to hold several engagement events across communities. The results of the customer perceptions survey carried out in

February 2021 ([see paragraph 56](#)), however, show that the council needs to further improve how communities can influence local decisions.

110. One of the priorities in the council's Community Engagement Strategy 2019-24 is to show communities how their contributions make a difference to decision-making. Although the council publishes some consultation results on its "We Asked, You Said, We Did" consultation webpage, it could better communicate the resulting actions taken from the various types of engagement. It is important that this communication reaches the groups affected and those that are digitally excluded.

Through improved partnership working, the Integration Joint Board is making progress in shifting care from hospital to community settings, but key services are not yet fully integrated through the IJB

111. The Falkirk IJB was established in 2016 and adult social care services were transferred from the council to the IJB. The appointed auditor has repeatedly expressed concerns about delays in key services being transferred from NHS Forth Valley to the IJB. To date, the degree of integration has fallen short of the expectations within legislation. The situation improved in 2020, when NHS services started to be transferred, with community nursing, allied health professional services and mental health services being transferred to the IJB. NHS Forth Valley has yet to transfer primary care, mental health and health improvement services, community hospitals and primary care services to the IJB as planned.

112. Despite the significant financial and operational impacts of Covid-19, the IJB made strong progress during 2020/21 in changing the way health and social care services are delivered. Partners worked closely together during this period, developing constructive relationships that have improved how services are provided. This included developing a masterplan for transferring responsibility for the patients in the Falkirk Community Hospital to the IJB. This transfer of responsibility will provide the IJB with an opportunity to develop and direct new models of community care and support, in line with the aims of its strategic plan.

113. The IJB has implemented new service models after learning from its experience of dealing with Covid-19. For example, the HSCP model developed with NHS Forth Valley to support care homes that has extended the 'Hospital @ Home' service. This includes a consultant geriatrician to provide clinical support to both hospitals and care homes, providing a more co-ordinated service with oversight of all patients. It also established the Care Home Assessment and Response Team (CHART) early in the pandemic ([Exhibit 22](#)).

Exhibit 22

Care Home Assessment and Response Team (CHART)

At the start of the Covid-19 pandemic, some care homes in Forth Valley had significant outbreaks of coronavirus. There was an immediate response from a wide range of services and voluntary agencies to support care home residents and staff. Initially, however, this response was poorly co-ordinated.

In April 2020 a decision was taken to co-ordinate the support for care homes in Forth Valley through a dedicated multi-professional and multi-agency team called the Care Home Assessment and Response Team (CHART). CHART included a range of different professionals who were co-located including GPs, social care workers, palliative care specialist nurses and advanced nurse / paramedic practitioners.

Support available from the team included a single phone number to call about any clinical concerns or for advice in relation to Covid-19, available from 8am and 6pm, seven days a week. CHART would follow up calls with either a video or telephone call and visit the symptomatic care home resident in the home if required. During the first ten-week period of operation (April to June 2020), 178 clinical referrals, regarding 91 residents, were made to CHART because of care home residents experiencing symptoms or signs of Covid-19.

Every morning, a social worker called each of the care homes to provide advice and support, and to check how things were going. Any clinical concerns were discussed with the clinical members of CHART. CHART staff were able to identify any staffing, infection control, or welfare issues and take the appropriate action to support the care homes.

At the end of each day there was a multi-agency Forth Valley Care Home Strategy Group meeting. This group was able to mount an immediate response within 24 hours to address any concerns raised.

The CHART team was able to make operational decisions about the service without the need to go through the normal governance procedures, allowing it to develop a responsive service which was able to meet the needs of the care homes and their residents. Feedback from care homes on their experience of working with the CHART team was positive.

Source: Care Home Assessment and Response Team (CHART) story, on iMatter, NHS Forth Valley <https://www.imatter.scot/team-stories/nhs-forth-valley/nhs-forth-valley-chart-team/>

114. The IJB's focus on community hospitals will provide an opportunity to address significant priorities. These include redesigning its model of care in line with the IJB's review in 2019/20 and tackling delayed discharges at Falkirk and Bo'ness Community Hospitals. These account for about 80 per cent of reported delays and mask improvements in performance at the acute hospital.

115. The IJB also closed its Torwoodhall residential care facility in April 2021, allowing it to meet residents' care needs more appropriately through other arrangements and deliver estimated annual savings of £1.2 million.

116. Partners are still to formally agree support services to be provided on behalf of the IJB, including financial and procurement support. While the recent progress is positive, delays in the integration of key services have affected the IJB's ability to fulfil the aims of its strategic plan and demonstrate Best Value.

The council will need to make difficult decisions if it is going to achieve Best Value from its decision to wind up the Falkirk Community Trust

117. In 2011 the council established the Falkirk Community Trust as an arm's length external organisation (ALEO). The Trust assumed responsibility for the management and operation of community-facing sport, recreation, arts, heritage and library services. Since its establishment, the Trust has demonstrated sound financial performance. It reduced its reliance on council funding from 72 to 54 percent of its income between 2011/12 and 2019/20 and moved from an annual trading loss of £250,000 to a trading profit of £279,000. Over a five-year period to 2019/20, the Trust also increased customer income from £6.17 million to £8.21 million.

118. In 2018, the council agreed a joint vision and medium-term business plan with the Falkirk Community Trust, designed to generate savings that would help the council close its own budget gap. The council's administration also asked the council's Chief Executive to bring forward options for winding up the Trust and bringing its services back in-house.

119. The Trust has been unable to make the expected contributions to the council's budget gap in line with the joint business plan. Its ability to consider asset-related proposals and savings has been hampered by the lengthy delays in finalising the council's Strategic Property Review (SPR) – see [paragraph 37](#). The Trust has also faced significant operational and financial difficulties during the pandemic, with many of its facilities and services being closed since March 2020.

120. Since 2018, the council has debated numerous reports on the future of the Trust, and opinions have been divided on whether an ALEO model is the best way of providing cultural and leisure services. In January 2021 the council finally decided to wind up the Trust and bring its services back in-house from 1 April 2022. It believes that bringing the Trust's services back in-house will be beneficial, as it will allow the council to:

- act as a single decision-maker in aligning cultural and leisure services with agreed priorities

- take a more integrated and streamlined approach to using the Trust's facilities in conjunction with its own property portfolio to meet the SPR's objectives
- potentially generate savings and efficiencies by reducing overall staffing levels and eliminating some areas of work, such as monitoring the Trust, liaison between the council and the Trust, and company secretarial tasks.

121. The main disadvantage to the council of bringing the Trust back in-house is that it will lose the business rate exemptions available to the Trust because of its charitable status. The net financial loss resulting from the council's decision will be about £1.1 million per annum, adding to its projected future budget gap. The council accepts the trade-off that assuming full control of these services will bring additional cost.

122. The decision to wind up the Trust puts an onus on the council to make difficult decisions on property investment and rationalisation to achieve the savings needed to offset the resulting net annual financial loss and contribute to closing its budget gap. The council has begun doing work to reduce total staffing costs to mitigate these risks.

Part 5

Is the council demonstrating continuous improvement?



The council's pace and depth of improvement since our last report has not been sufficient to achieve the level of transformational change needed to address future budget gaps.

The council has demonstrated improvement in performance in some key services.

The council has clearly stated commitments to tackling inequality but has not been effective in ensuring that equalities are embedded across the organisation.

The council recognises areas in which it still needs to improve. It has only recently begun making progress in several key aspects of Best Value. Some of this progress has come about through its effective response to Covid-19.

The council has improved performance in some key services and is taking action to address some long-standing areas of poorer performance

123. As highlighted in [Part 2](#), the council demonstrates strong and improving performance in education services and housing services. It is working to address areas in which it has consistently performed poorly compared with other councils, most notably in aspects of children's and adult social care. It is starting to see some improvement in adult social care, with reductions in delays in discharging patients from hospital.

124. In reporting on its performance, the council does not explain how it proposes to address areas of poorest performance. This is something that it could improve to allow better scrutiny.

The council has not done enough to deliver the level of transformation planned and the improvements needed to address financial challenges

125. In February 2018, we reported that the council had responded positively to the Accounts Commission's findings of December 2016 and had made satisfactory progress in a relatively short period.

126. As shown in [Exhibit 23](#), we highlighted that the council's scrutiny arrangements were continuing to operate effectively during 2017. This continues to be the case. We also highlighted that the council had improved its approach to financial planning. Some aspects of this continue to work well, although, as outlined in [Part 3](#), some aspects of financial planning could still improve. For instance, it needs realistic savings plans to develop its medium-term financial plan to cover all projected budget gaps, to carry out multi-year budgeting and improve financial reporting by making savings resulting from transformational change clearer.

127. In February 2018, our Best Value judgements predominantly focused on the council's COTF transformation programme. At that time, the council was in the early stages of implementing COTF and we highlighted that it was too early to assess the effectiveness of leadership in implementing the programme and the impact of the programme on the council and local people. Since then, however, the council has failed to successfully deliver on the priority projects of its COTF transformation programme at the scale and pace needed to address its financial challenges. Several of the priority projects are however intended to make a significant impact on services and savings in the longer term.

Exhibit 23

Comparison of 2018 and 2021 Best Value judgements

A comparison of Controller of Audit judgements from 2018 and 2021 shows that Falkirk Council has not made adequate progress in some aspects of Best Value since 2018.

Controller of Audit judgements Best Value follow-up 2017 (published February 2018)	Controller of Audit judgements 2021	View
The council has agreed its priorities, with widespread recognition that it needs to change significantly, but it is too early to assess the council's leadership of change	<p>The council has set a clear vision for the future and its recovery from the impact of Covid-19, with streamlined priorities.</p> <p>Since our last Best Value report in 2018, the council has taken a range of actions to improve leadership and develop an improvement culture, however elected members and senior officers have not collectively driven the pace and depth of transformational change necessary to</p>	Part 1

	deliver the council's priorities and address future budget gaps.	
The council has adopted a more strategic approach to improvement and transformation following the Accounts Commission's December 2016 findings	<p>The council has only recently begun making progress to address weaknesses in several key aspects of Best Value, some of which has come about through its effective response to Covid-19. The council recognises where it still needs to improve and is in the process of making changes.</p> <p>After seeking help in 2020 from an external consultant, senior officers have recently implemented substantial changes to how they manage the transformation programme.</p>	Parts 1 and 5
The council has improved its approach to financial planning	The council has a three-year medium-term financial plan, but this does not cover the full extent of projected funding gaps over the next five years. Its financial position remains challenging, with an estimated five-year budget gap of £70.8 million. It has still to identify how it will address £18.3 million of this gap.	Part 3
The council is implementing a new five-year transformation programme, but it is too early to see the impact on the council	The council has not been successful in achieving change, innovation and savings from its COTF transformation programme on the scale required.	Parts 1 and 3
The council's scrutiny arrangements are continuing to operate effectively	The council has appropriate governance structures in place, but there remains scope to provide elected members with better information to support more effective scrutiny.	Parts 1 and 2

Source: Audit Scotland

The council needs to better demonstrate that it is meeting its equalities duties

128. The council has been very proactive in integrating the living wage in its pay and grading structures to improve conditions among its lowest paid staff. Data from the LGBF shows that the council has reduced its gender pay gap over the last five years, from 6.6 per cent in 2015/16 to 4.6 per

cent in 2019/20. Despite this progress, the council's gender pay gap remains higher than the Scottish average of 3.42 per cent.

129. Although the council has been reducing its overall gender pay gap, the proportion of women among the council's highest paid five per cent of staff has fallen slightly over the last five years and is among the lowest of all Scottish councils (48.55 per cent in 2019/20 compared with the Scottish average of 56.74 per cent).

130. Although the council has clearly stated commitments to tackling inequality and has taken positive actions, an internal audit report in 2019/20 offered only 'limited assurance' about its arrangements for meeting its duties under the Equality Act. The report identified significant weaknesses in the council's equalities arrangements including the absence of an appropriate governance framework, of arrangements for self-assessment and reviewing outcomes, and of reporting progress against its statutory requirements.

131. In response to the internal audit's seven recommendations for improving the council's work on ensuring equality, the council has included an action plan in its 2021 Equalities outcomes and mainstreaming report. None of the actions in the plan has been assigned a target date for completion, however. This makes it difficult both to assess the degree of priority that the council is giving to addressing identified weaknesses and for elected members and others to hold the council to account for progress towards these actions.

The council recognises areas in which it needs to improve but has only recently begun making progress across several key aspects of Best Value

132. The council draws on a range of approaches to identify areas for improvement, including service-based self-assessment, assurance activities, such as internal audit and risk management, evaluations and external inspections. In 2020, in responding to the challenges of Covid-19, it recognised that it needed to adopt a more radical approach to self-assessment. As a result, it adopted a 'voice of the customer' model, to listen to what people needed so it could best meet their needs. It has used this approach over the past two years to gather the views of communities, employees and elected members through surveys, workshops, focus groups and 'community conversations'. This has helped to inform its revised corporate priorities, COTF projects and improvements in performance management.

133. The council has also used the Improvement Service to facilitate internal self-evaluation exercises in the past year on risk and on its response and recovery from Covid-19. These were relatively limited and the number of staff feeding into the self-evaluation exercises was so low that it is difficult to draw any meaningful conclusions from them. The

council has also begun to make improvements in its public performance reporting as a result of work with the Improvement Service.

134. The council recognises areas in which it still needs to improve. It has, however, only recently begun to make progress across several key aspects of Best Value, including equalities, performance reporting, community empowerment and community engagement, some of which we highlighted in our follow-up Best Value audit in 2017.

Recommendations

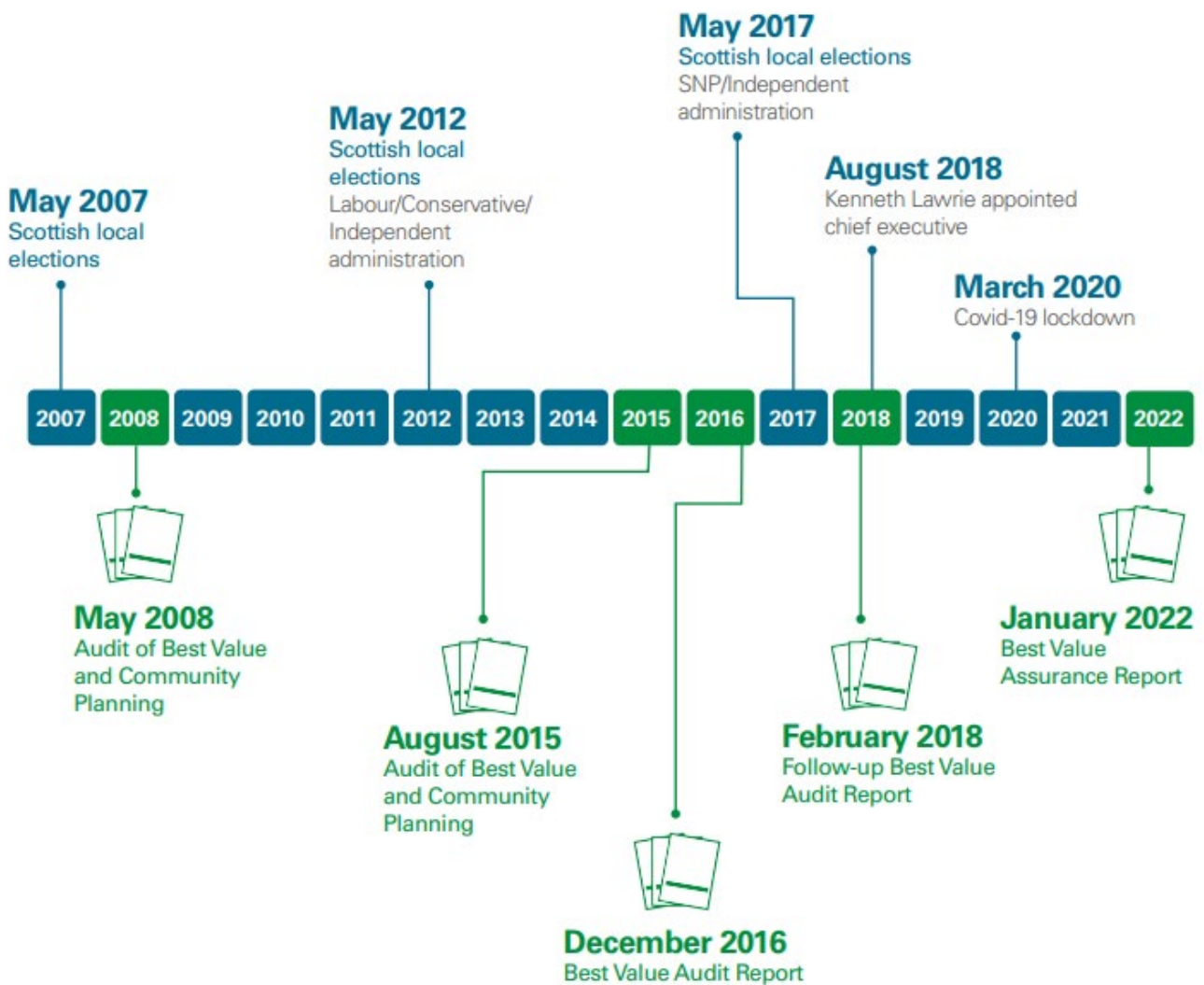
The council urgently needs to deliver improvements to achieve Best Value. We have made the following recommendations to help the council address the areas in need of improvement identified in this report.

- Elected members and senior officers need to work more constructively together to lead the council more effectively and decisively. All elected members need to recognise that they have a responsibility to deliver Best Value, and they need to work together, and take difficult decisions in a timelier manner to allow the council to progress with its agreed priorities. [\(paragraph 44\)](#)
- It is crucial that the council makes far greater progress in delivering its transformation programme and in making savings, given the scale of the challenges it faces. To do this:
 - As we previously recommended in 2017, the council’s chief executive and senior officers need to lead the COTF programme more effectively [\(paragraph 36\)](#).
 - The council needs to adopt a multi-year approach to budgeting that supports transformational change. [\(paragraph 74\)](#)
 - The council must ensure that all staff are fully engaged in the transformation programme, [\(paragraph 35\)](#) and that budget holders are clear on expectations to deliver the planned savings and are held to account. [\(paragraph 31\)](#)
 - Elected members need to be provided with better information more frequently about the status of the COTF projects, the savings delivered and projected savings to support better scrutiny. [\(paragraph 38\)](#)
- The council should continue to improve its approach to reporting performance to elected members and the public to support more effective scrutiny. To do this:
 - The council needs to add more commentary to reports to explain how its performance compares with previous performance and other councils. [\(paragraph 61\)](#)
 - The council needs to add more commentary to its plans to explain how it will address areas of poorer performance. [\(paragraph 58\)](#)

- The council needs to better manage its capital programmes to deliver planned projects. ([paragraph 77](#))
- The council and its community planning partners need to improve how they manage and report their performance management. To do this:
 - They need to determine clear outcome milestones for the new Falkirk Plan. ([paragraph 93](#))
 - They need to improve performance reporting to enable better scrutiny of performance and more focus on areas in which improvement is needed. ([paragraph 93](#))
- The council and its community planning partners urgently need to develop and implement locality plans to allow them to better focus on the needs of local communities. ([paragraph 100](#))
- The council and its community planning partners need to embed their new approach to community engagement and empowerment. To do this:
 - They need to make community engagement an integral part of service improvement and delivery. ([paragraph 102](#))
 - They need to apply the lessons learned from effective engagement activity across all council services and CPP activities. ([paragraph 109](#))
 - They need to focus on the timely delivery of the actions agreed on and report on progress. ([paragraph 110](#))
 - They need to clearly communicate the results of, and the council's response to, community consultation. ([paragraph 110](#))
 - They need to support community groups in the completion of asset transfers, ([paragraph 104](#)) participation requests ([paragraph 107](#)) and participatory budgeting initiatives. ([paragraph 105](#))
- The council needs to ensure that it can deliver the benefits envisaged from bringing the services provided by the Falkirk Community Trust in-house ([paragraph 120](#)) by making the difficult decisions required to realise savings. ([paragraph 122](#))
- The council should act to fully embed equalities across the council and comply with statutory requirements. ([paragraph 130](#))

Appendix 1

Best Value audit timeline



Falkirk Council

Best Value Assurance Report

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MEETING: 9 DECEMBER 2021

REPORT BY: SECRETARY TO THE COMMISSION

STATUTORY PERFORMANCE INFORMATION: DRAFT 2021 DIRECTION

Purpose

1. This report proposes a draft 2021 statutory performance information Direction and reports upon the consultation with stakeholders in this regard, with a view to subsequent publication by the Commission by the end of 2021.

Background

2. The Accounts Commission has the power to direct (as it thinks fit) relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission's opinion, "facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing Best Value in accordance with section 1 of the Local Government in Scotland Act 2003) between:
 - i. the standards of performance achieved by different relevant bodies in that financial year or other period; and
 - ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods." ¹
3. Such information is also to facilitate the drawing of conclusions about the discharge of those bodies' functions under the Community Empowerment (Scotland) Act 2015 (in essence, carrying out community planning for the "improvement in the achievement of outcomes").
4. In recent years, the Commission has developed a strategy that the local government community should take greater ownership of the public performance reporting and performance benchmarking agenda. To this end, the Commission has endorsed and supported the development of the local government performance benchmarking framework (LGBF) project. This also reflects a commitment on behalf of the Commission to supporting sector-led improvement. It is consistent with the Crerar principle that the primary responsibility for demonstrating [effective] performance should rest with service providers, based on robust performance management and outcome-focused self-assessment ².
5. In 2018, the Commission published a three-year Direction to councils in line with this strategy. The Commission used the Direction to reflect its expectations in relation to public performance reporting under the Best Value audit approach, and another to ensure continued council reporting of the LGBF.

¹ Local Government Act 1992: Section 1(1)(a)

² The Crerar Review: the report of the independent review of regulation, audit, inspection and complaints handling of public services in Scotland, Scottish Government, 2007.

Review of progress

6. At its last meeting, the Commission considered my [report](#) proposing a draft 2021 SPI Direction to act as a basis for consultation with stakeholders with a view to subsequent publication by the Commission.
7. The proposal was based upon a 2021 review of councils' progress against the requirements of the 2018 Direction. A summary of this review is thus:
 - Councils have responded well to the 2018 Direction and therefore there is a strong case for maintaining the strategy of the Commission that it uses its powers in the 1992 Act to continue to encourage sector-led improvement through a descriptive rather than prescriptive approach.
 - Councils all report, to varying degrees, performance information that can be compared over time and across different bodies.
 - Nevertheless, there is significant variation in the degree to which councils are satisfying the requirements of the Direction.
 - There is scope for more consistency in the reporting of progress against the Direction in the annual audit.
 - Covid-19 has negatively impacted performance and performance reporting, but not to a degree that has significantly compromised councils' response to the SPI Direction.
 - There is scope for improvement in how councils can:
 - Improve accessibility of their performance pages to ensure more easy access for their citizens and communities
 - Report performance against their Best Value duty, and in particular reporting progress against previous Best Value assessments.
 - Report comparative benchmarking information, including relating to the LGBF.
 - Clarify the impact of Covid-19 on performance and performance reporting.
8. At the meeting, the [Commission](#):
 - Agreed that the following be considered by the Commission support team in the further drafting of the consultative draft of the Direction:
 - a. In the requirement to ensure easy access to performance information, making clearer reference to the use of different media and innovation in how they report and communicate on performance (points raised by Tim McKay, Christine Lester and Elma Murray)
 - b. Including reference to councils' approaches to mitigating climate change (Stephen Moore)
 - c. Better reflecting the current priorities of the Commission as set out in its Strategy (Elma Murray).

- Agreed that it consider, at an appropriate time in the future, how to assess progress by councils against the 2021 Direction as part of its consideration of the dynamic work programme.
 - Agreed to discuss with the Improvement Service the scope for collaborating on supporting councils in their development of approaches to public performance reporting
9. Following this decision, the Commission support team sought legal advice on the extent to which the Commission can identify specific priorities within its Direction. Details of the legal advice has been shared with members on the [SharePoint site](#). In summary, the advice stated that the Commission “has no discretion to waive reporting against some parts of the best value duty in order to focus reporting on other parts, nor does it have any power to promote or prioritise some parts of the best value duty over other parts”. On the basis of this advice, it was not possible to incorporate member suggestions (b) and (c) in paragraph 8. In response to suggestion (a) at paragraph 8, the support team emphasised in the draft Direction the need for councils to ensure easy access to performance information for **all** of its citizens. This underlined the point without being overly prescriptive about how a council should facilitate easy access.
10. The Interim Chair and Interim Deputy Chair reviewed the legal advice and agreed the final draft Direction for consultation, which is included at the end of the consultation letter at [Appendix 1](#).

Consultation

11. The Commission is required by statute to consult with “such associations of relevant bodies and such other persons as it sees fit” before giving a direction which imposes a new requirement on any relevant body.³ It is for the Commission to determine which associations and bodies it wishes to consult and the manner in which it will undertake any consultation activity.
12. The Interim Chair of the Commission wrote to COSLA, SOLACE, the Chair of the LGBF Board, the Improvement Service, the Scottish Performance Management Forum and all council chief executives on 29 October 2021 (the letter and draft Direction is in [Appendix 1](#)). The Secretary also discussed the draft Direction with representatives of the Scottish Performance Management Forum once and twice with the LGBF Board.
13. The draft Direction was positively received, with 18 responses, including 14 from councils. The full list of responses has been saved on the [members SharePoint site](#). Overall, respondents were supportive of the draft Direction and its three-year timeline. In particular, respondents noted support for:
- Further development of the use by councils of the Local Government Benchmarking Framework
 - Underlining the importance of self-assessments
 - More consistency in the reporting of progress against the Direction and Best Value in the annual audit
 - Councils reporting on how they engage with, respond to and help to empower, their communities, including those who require greater support
 - The importance of performance information being easy to understand and access for all citizens and communities, although one respondent requested

³ Local Government Act 1992: Section 2 (3)

recognition of challenges over the past 18 months in making performance information more accessible, especially to those who are digitally excluded.

14. In addition, some respondents asked specific questions and points of clarification. A summary of these responses and proposed implications for the SPI Direction and the Commissions wider work are outlined in Table 1 below.

Table 1 Summary of consultation responses and proposed implications for the SPI Direction

Comment	Proposed implications for draft SPI Direction and Commission’s work
Statutory Performance Indicator 1: Improving local services and local outcomes	
<p>Local Government Benchmarking Framework</p> <p>While all respondents noted the value of the LGBF tool:</p> <ul style="list-style-type: none"> - Some noted that not all indicators were relevant to certain council areas, which have different service models and priorities across Scotland - One noted the importance of the phrase <i>‘drawing upon information published by the Local Government Benchmarking Framework and from other benchmarking activities’</i> rather than all councils using LGBF data in its entirety. - One suggested that the Direction makes the specific distinction that councils have the ability to draw from the LGBF as required to meet each local authority’s priorities. - One suggested that where the Commission expects councils to publish information allowing comparison over time and with other similar bodies, there should be additional clear reference to how this information is used to drive improvement when reporting to the public 	<p>This is useful feedback for the Commission.</p> <p>The Commission is clear that it is for councils themselves decide what information they draw upon from the LGBF.</p> <p>In relation to the first three bullet points, SPI1 is also clear that the council should be reporting against “desired outcomes agreed with their partners”, which allows councils to decide how best to use LGBF information to report progress against such outcomes. This seems a reasonable balance between prescription and reflecting local requirements.</p> <p>In relation to the fourth bullet point, SPI2 requires the council to report “its assessment of how it is performing against its duty of Best Value, including self-assessments and service review activity, and how it has responded to this assessment”. It is reasonable to expect that councils consider how to combine the requirements of the two indicators to best present how they are aiming to improve.</p> <p>Two changes are therefore proposed to the draft Direction in Appendix 2: the first to encourage combining the indicators as appropriate (reference 1); and the second to encourage the publishing of accessible information (reference 2).</p>

Comment	Proposed implications for draft SPI Direction and Commission's work
Public performance reporting	
<p>Seven councils requested that the Commission is more explicit in what it regards as best practice and that it provides examples or more structured guidance, standards and the criteria for assessment.</p> <p>One respondent asked whether there were any plans to update the 2020 Best Value guidance with similar PPR guidance that accompanied the original Best Value guidance.</p>	<p>No changes proposed to the draft Direction.</p> <p>Instead, as agreed at its October meeting the Commission committed to <i>'discussing with the Improvement Service the scope for collaborating on supporting councils in their development of approaches to public performance reporting'</i></p> <p>We will use the detailed feedback from respondents as we take forward such discussions with the Improvement Service</p>
The impact of Covid-19 on performance and performance reporting	
<p>Whilst not explicitly included in the revised Direction (– as discussed in paragraph 9 - it is outwith the Commission's powers to specify priorities), four respondents supported the importance of clarifying the impact of Covid-19 on performance and performance reporting.</p> <p>One council suggested the Commission produces a national report on Covid-19 recovery outcomes</p> <p>One council suggested referring to the National Performance Framework when making national comparisons in relation to Covid-19.</p>	<p>No changes proposed to the draft Direction.</p> <p>At its October meeting, the Commission agreed that it consider, at an appropriate time in the future, how to assess progress by councils against the 2021 Direction as part of its consideration of its joint dynamic work programme with the Auditor General for Scotland.</p> <p>While the suggested national report on Covid-19 recovery outcomes will form part of longer-term considerations, two joint reports relating to the impact of Covid-19 are due to be published early 2022:</p> <ul style="list-style-type: none"> - Scotland's economy: Supporting businesses through the Covid-19 pandemic and planning Scotland's economic - Reviewing Scotland's financial response to the Covid-19 pandemic
Statutory Performance Indicator 2: Demonstrating Best Value	
Future approach to assessing Best Value as part of the annual audit	
<p>Five respondents requested stronger guidance on Best Value assessment criteria, to ensure a more consistent approach collectively, and assist individual councils in complying with the duty with greater assurance.</p>	<p>No changes proposed to the draft Direction.</p> <p>As the new approach to Best Value is implemented, auditors will assess council performance based on the Best Value: revised statutory guidance 2020.</p> <p>As the Commission moves towards a new approach to auditing Best Value, the Best Value Working Group can also give further thought to how the Commission may play a role in promoting the value of the current statutory guidance.</p>

Comment	Proposed implications for draft SPI Direction and Commission's work
One council specifically asked for additional guidance on what is required to demonstrate community engagement and empowerment and/or how this will be assessed in Best Value audits	<p>No changes proposed to the draft Direction.</p> <p>The statutory guidance includes guidance on Best Value theme 5: working with communities (page 15).</p> <p>The Commission has agreed one of its priorities as reporting on the relationship between local government and its different communities. The work programme will therefore reflect this priority.</p>
One council asked for clarification on what role the annual audit report will play in this.	<p>No changes proposed to the draft Direction.</p> <p>The new Code of Audit Practice sets out the Commission's requirements of auditors, including the reporting through the integrated audit progress against previous Best Value reporting, including where appropriate the reporting of performance to the public.</p>
One respondent suggested it may be helpful to specifically state the Best Value duty within the Direction to make the connection between performance and improvement (i.e., to make arrangements to secure continuous improvement in performance etc).	<p>We believe the changes proposed above (the first to encourage combining the indicators as appropriate (reference 1); and the second to encourage accessible information (reference 2) will help to underline the connection between performance and improvement (without the need for the full definition of the Best Value Duty). So no further changes proposed to the draft Direction.</p>
One respondent suggested the role of Senior Managers and Elected Members in enabling more balanced reporting should be specifically expressed	<p>No changes proposed to the draft Direction.</p> <p>While we note the comment, we do not think it appropriate to use the SPI Direction to specify roles in what is the collective duty of a council to ensure balanced reporting.</p>

Proposed Direction

15. The proposed Direction is in [Appendix 2](#). It reflects the views of the Commission from its October meeting and the proposed response to the consultation on the draft Direction (highlighted yellow).

Next steps

16. Once agreed, we plan to publish the final SPI Direction on 20 December. This will be accompanied by a short blog from the Interim Chair Elma Murray. The Support team will respond to all consultees outlining the Commission's response to the points they raised.
17. At its previous meeting, the Commission agreed that it considers, at an appropriate time in the future, how to assess progress by councils against the 2021 Direction as part of its consideration of the dynamic work programme. This will be taken forward and reported back to the Commission.

Conclusion

18. The Commission is asked to:

- consider the attached SPI Direction, for publication by the end of 2021.
- Note that I will report back on how to assess progress by councils against the 2021 Direction as part of the dynamic work programme.

Paul Reilly
Secretary to the Commission
1 December 2021

CONSULTATION COMMUNICATION



4th Floor
102 West Port
Edinburgh EH3 9DN

29 October 2021

Address

Dear name

Statutory performance information: 2021 Direction

I write to seek your views on the proposed Direction to be issued by the Accounts Commission which sets out its requirements on councils to report their performance to their citizens and communities. The Commission has a power (under the Local Government Act 1992) to direct councils to publish such information relating to their activities which will, in the Commission's opinion, "facilitate the making of appropriate comparisons between:

- i. the standards of performance achieved by different relevant bodies in that financial year or other period; and
- ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods."

Such information should also allow conclusions to be drawn about the discharge of functions under the Community Empowerment (Scotland) Act 2015 (in essence, carrying out community planning for "improvement in the achievement of outcomes").

While this power pre-dates its powers in relation to Best Value, the Commission has in recent years used the power to complement its powers of auditing Best Value, particularly in relation to public performance reporting. In recent years, the Commission has taken more of a descriptive rather than prescriptive approach in directing councils what to publish.

The Commission has approved the attached draft Direction (see [Appendix](#)) as a basis of consultation with stakeholders (namely COSLA, SOLACE, the Improvement Service, the Local Government Benchmarking Board, the Scottish Performance Management Forum and councils themselves), as a proposal for publishing the Direction in December 2021, to cover the three years from the start of the financial year ending 31 March 2023. The Commission considered this [report](#) in public on 7 October 2021, which summarised a review of councils' response to the previous Direction published by the Commission in 2018 and some informal dialogue with the LGBF Board and the Scottish Performance Management Forum.

In summary, the review found that councils have responded well to the 2018 Direction (albeit with variation between councils), thereby presenting a strong case for

maintaining the Commission's strategy of encouraging sector-led improvement in the reporting of council performance to the public.

The Commission is therefore proposing a new Direction which largely follows the previous Direction but with some important revisions:

- Underlining the importance of self-assessment of performance.
- To reflect the Commission's ambitions with integrated audit by including reference to the annual audit's role in assessing performance against the Best Value duty.
- To reflect the Commission's ambitions with coordinated scrutiny of local government, including reference to the assessments of other scrutiny and inspection bodies
- To reflect the Commission's strategic priorities, including reference to, for example, ensuring good accessibility of citizens to the performance information reported publicly.

The Commission will also use the Direction to underline its continued encouragement for the further development of the LGBF project, the progress of which we have been pleased to note. The Commission is of the firm view that benchmarking is a core part of councils' ability to gauge and improve their performance and report this performance to the public.

I would be grateful to hear your views by Thursday 25 November. If desired, then please feel free to liaise with the Secretary to the Commission, Paul Reilly (email: preilly@audit-scotland.gov.uk or phone 0131 625 1809 (direct dial).

I look forward to hearing from you.

Yours sincerely



Elma Murray
Interim Chair

Enc: Draft Statutory Performance Information Direction 2021

**PROPOSED PUBLICATION OF INFORMATION (STANDARDS OF PERFORMANCE)
DIRECTION 2021**

**LOCAL GOVERNMENT ACT 1992
THE PUBLICATION OF INFORMATION
(STANDARDS OF PERFORMANCE) DIRECTION 2021**

1. This Direction is given by the Accounts Commission for Scotland (“the Commission”) under section 1(1)(a) of the Local Government Act 1992, which requires the Commission to direct relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission’s opinion:

“facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003) between –

- i. the standards of performance achieved by different relevant bodies in that financial year or other period; and*
- ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods”*

Such information is also to facilitate the drawing of conclusions about the discharge of those bodies' functions under the Community Empowerment (Scotland) Act 2015 (in essence, carrying out community planning for the “improvement in the achievement of outcomes”).

2. This Direction is given to all local authorities, as defined by the Local Government (Scotland) Act 1973, and amended by the Local Government etc. (Scotland) Act 1994.

3. Each of the bodies referred to in paragraph 2 shall, in accordance with section 13 of the Local Government in Scotland Act 2003 and associated regulations and guidance from Scottish Ministers, publish the information specified in the schedule to this Direction for all

those activities which are carried out by the body

4. The periods for which the information in the schedule must be published are the financial years ending 31st March 2023, 2024 and 2025.

5. In the schedule, the term ‘Best Value’ shall be interpreted in accordance with the definition and requirements of Part 1 of the Local Government in Scotland Act 2003. This includes reference to the revised statutory guidance 2020 and the Best Value themes of:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality

Schedule

Each council will report a range of information in the following areas:

Statutory Performance Indicator 1: Improving local services and local outcomes

- Its performance in improving local public services, both provided by itself and in conjunction with its partners and communities.
- Progress against the desired outcomes agreed with its partners and communities.

The Commission expects the council to report such information to allow comparison (i) over time and (ii) with other similar bodies (thus drawing upon information published by the Local Government Benchmarking Framework and from other benchmarking activities).

The Commission expects the council to, in agreeing its outcomes with its partners and communities, report on how it has engaged with, responded to and helped to empower its communities, including those who require greater support.

Statutory Performance Indicator 2: Demonstrating Best Value

- Its assessment of how it is performing against its duty of Best Value, including self-assessments and service review activity, and how it has responded to this assessment.
- Audit assessments (including those in the annual audit) of its performance against its Best Value duty, and how it has responded to these assessments.
- Assessments from other scrutiny and inspection bodies, and how it has responded to these assessments.

In satisfying the requirements set out in this schedule, the Commission expects the council to take cognisance of [current statutory guidance on Best Value requirements](#), and in particular to ensure:

- Balance in reporting areas of improvement that have been achieved and not achieved.
- This is undertaken in a timely manner.
- Easy access to its performance information for all of its citizens and communities.

PROPOSED DIRECTION 2021

**LOCAL GOVERNMENT ACT 1992
THE PUBLICATION OF INFORMATION
(STANDARDS OF PERFORMANCE) DIRECTION 2021**

1. This Direction is given by the Accounts Commission for Scotland (“the Commission”) under section 1(1)(a) of the Local Government Act 1992, which requires the Commission to direct relevant bodies to publish such information relating to their activities in any financial year or other specified period as will, in the Commission’s opinion:

“facilitate the making of appropriate comparisons (by reference to the criteria of cost, economy, efficiency and effectiveness and of securing best value in accordance with section 1 of the Local Government in Scotland Act 2003) between –

- i. the standards of performance achieved by different relevant bodies in that financial year or other period; and*
- ii. the standards of performance achieved by such bodies in different financial years or, as the case may be, other periods”*

Such information is also to facilitate the drawing of conclusions about the discharge of those bodies' functions under the Community Empowerment (Scotland) Act 2015 (in essence, carrying out community planning for the “improvement in the achievement of outcomes”).

2. This Direction is given to all local authorities, as defined by the Local Government (Scotland) Act 1973, and amended by the Local Government etc. (Scotland) Act 1994.

3. Each of the bodies referred to in paragraph 2 shall, in accordance with section 13 of the Local Government in Scotland Act 2003 and associated regulations and guidance from Scottish Ministers, publish the information specified in the schedule to this Direction for all

those activities which are carried out by the body

4. The periods for which the information in the schedule must be published are the financial years ending 31st March 2023, 2024 and 2025.

5. In the schedule, the term ‘Best Value’ shall be interpreted in accordance with the definition and requirements of Part 1 of the Local Government in Scotland Act 2003. This includes reference to the revised statutory guidance 2020 and the Best Value themes of:

1. Vision and leadership
2. Governance and accountability
3. Effective use of resources
4. Partnerships and collaborative working
5. Working with communities
6. Sustainability
7. Fairness and equality

Schedule

Each council will report a range of information covered by the following two indicators (including in combination if desired)⁴:

Statutory Performance Indicator 1: Improving local services and local outcomes

- Its performance in improving local public services, both provided by itself and in conjunction with its partners and communities.
- Progress against the desired outcomes agreed with its partners and communities.

The Commission expects the council to report such information to allow comparison (i) over time and (ii) with other similar bodies (thus drawing upon information published by the Local Government Benchmarking Framework and from other benchmarking activities).

The Commission expects the council to, in agreeing its outcomes with its partners and communities, report on how it has engaged with, responded to and helped to empower its communities, including those who require greater support.

Statutory Performance Indicator 2: Demonstrating Best Value

- Its assessment of how it is performing against its duty of Best Value, including self-assessments and service review activity, and how it has responded to this assessment.
- Audit assessments (including those in the annual audit) of its performance against its Best Value duty, and how it has responded to these assessments.
- Assessments from other scrutiny and inspection bodies, and how it has responded to these assessments.

In satisfying the requirements set out in this schedule, the Commission expects the council to take cognisance of [current statutory guidance on Best Value requirements](#), and in particular to ensure:

- Balance in reporting areas of improvement that have been achieved and not achieved.
- This is undertaken in a timely manner.
- Easy access to its performance information for all of its citizens and communities, with such information presented in an accessible style⁵.

⁴ Reference 1, paragraph 14

⁵ Reference 2, paragraph 14

MEETING: 9 DECEMBER 2021

REPORT BY: CORPORATE FINANCE MANAGER

2021/22 AUDITS – LOCAL GOVERNMENT FEES

Purpose

1. This report seeks the Commission’s endorsement of expected audit fees for the local government sector for the 2021/22 audit year.

Background

2. In accordance with the Public Finance and Accountability (Scotland) Act 2000, Audit Scotland sets the fees for all the chargeable audits within the remits of the Accounts Commission and the Auditor General for Scotland. In doing so, Audit Scotland is under a statutory requirement to “broadly break even taking one year with another”.
3. Fee levels are determined in the budget setting process for Audit Scotland. The methodology is based on the 2016 Review of Fees and Funding which was approved by the Audit Scotland Board and shared with the Scottish Commission for Public Audit (SCPA).
4. Audit Scotland has prepared its budget proposal for the 2022/23 financial year which was agreed by the Audit Scotland Board at its November meeting. The current position with the SCPA is that the budget proposal will require submission in early December 2021. The budget for the 2022/23 financial year includes income from fees for completion of the 2021/22 audits and the start of the 2022/23 audits.
5. The budget and the fee levels are designed to deliver all the annual audits where the Accounts Commission makes the appointments and the programme of performance audit and Best Value work agreed with the Commission.
6. The 2022/23 budget proposal will be considered by the SCPA on a date to be agreed. The SCPA will then prepare a report to the Scottish Parliament as part of the annual Budget Act approval process.
7. Following this meeting of the Accounts Commission Audit Scotland will communicate expected 2021/22 fee levels to all public sector bodies. This will enable detailed audit planning and fee negotiations to commence and for Audit Scotland to invoice audited bodies for the first instalment of the fees.

Fee levels

8. The complex and volatile environment we are working in – and the pressures faced by auditors and audited bodies – is expected to continue for the long term and will be a major factor in setting audit fees. The impact of this will need to be reflected in the fees to audited bodies to ensure that the fee is a fair representation of the cost of audit and enables Audit Scotland to meet its obligation to break-even each year.
9. The proposal increases expected audit fees by 2% across all sectors, representing a real term decrease of 3%.

10. Total expected fees to local government bodies for 2021/22 audits will be £12,383,000 and result in increases for the largest and smallest councils of:
 - £11,590 (1.8%) for Glasgow City Council to £669,850.
 - £4,380 (2.2%) for Orkney Islands Council to £199,730.
11. The average council fee increase is £6,676 (2.0%) with the average council fee being £339,462.
12. The expected council fee is based on the audit of the group accounts of the council. For some councils additional audit work will be required on charitable trust accounts and the appointed auditor is able to negotiate a fee increase to cover this work. This additional work is not included in the initial expected fee as it is variable in nature and depends on the number of trusts councils are involved with.
13. The expected fee for Integration Joint Boards (IJBs) increases from £27,330 for 2020/21 audits to £27,960 (2.3%) for 2021/22 audits. This is due to inflationary increases in auditor remuneration and the allocation of performance audit budget that is shared across all councils, IJBs and Strathclyde Passenger Transport.
14. All other local government bodies will see increases of between 2.3% and 2.9%.
15. The Commission, in line with its procurement strategy that it approved at its May meeting, is currently in the middle of a competitive tender process where firms have been invited to bid for a share of public sector audit work in Scotland. The tender exercise aims to appoint successful bidders to commence audit work with effect from the 2022/23 audit year. The outcome of the tender will be an important factor in the future cost of audit and the potential impact this will have on fees to audited bodies.

Conclusion

16. The Commission is asked to endorse the fee levels for the local government sector 2021/22 audits.

Stuart Dennis
Corporate Finance Manager
29 November 2021

MEETING: 9 DECEMBER 2021

REPORT BY: INTERIM DIRECTOR OF PERFORMANCE AUDIT AND BEST VALUE

STRATEGY AND WORK PROGRAMME: WORK PROGRAMME UPDATE

Purpose

1. This paper introduces the joint Accounts Commission and Auditor General for Scotland (AGS) work programme update.

Background

2. In April 2021 the Commission and the AGS agreed the joint dynamic work programme. We published this on the Audit Scotland website on 24 May 2021. This is the second quarterly update of the programme and the next update will be in March 2022.

Scope and approach

3. Appendix one presents the work programme update. It aims to provide one report that meets the needs of the Commission and the AGS, with clarity on who is producing which products and when. It covers our whole range of audit work and includes:
 - a) **What we've delivered:** From August 2021 to November 2021.
 - b) **What's coming up:** Planned audit products from December 2021 to June 2022 and products in the pipeline from July 2022 and beyond.
 - c) **Decisions required:** Proposed changes to the programme.
4. In this update report we have added key messages on the overall programme as well as on progress with annual audits. These recognise the comprehensive and ambitious programme and impressive delivery so far this year but note that across Audit Services and Performance Audit and Best Value (PABV) we are stretched for capacity. We are juggling a wide range of performance audit products. Annual audits have been tougher this year due to them being 100% remote as well as the additional complexity of auditing Covid-19 income and expenditure, and the knock-on impact from delays last year. Some financial audits will miss their deadlines and this is impacting on the timing of some performance audit work. Into the spring of 2022 the local government election moratorium is putting pressure on the publications schedule.
5. To support the dynamic programme, we continue to review and analyse feedback and discussions from Accounts Commission meetings and Performance Audit Committee (PAC) and Financial Audit and Assurance Committee (FAAC) meetings, including recent strategic discussions on inequalities and public sector reform. We share this analysis with senior managers in PABV to inform programme development and this update.

Wider work programme development

6. Accounts Commission members will see some of their feedback addressed through specific audit work over the coming months, while some feedback will be addressed through our wider work programme development plans.

Impact reporting

7. We are making good progress reviewing our approach to impact monitoring and reporting. We are aiming to develop an Audit Scotland wide approach that recognises the role impact monitoring can play in supporting continuous improvement, providing wider strategic insight and making the case for the value of public audit. It will look at impact on a short, medium, and long-term basis across financial audit and performance audit and best value. This approach fits with the Commission's ambitions in its draft Communications and Engagement Strategy to better gauge the impact of its role and work.
8. We aim to bring back proposals for the Accounts Commission to consider in early 2022. This will include an approach to impact reporting on the three reports we discussed at the Commission's August meeting: Councils' use of arm's-length organisations, Scotland's City Region and Growth Deals and Privately financed infrastructure investment: The Non-Profit Distributing (NPD) and hub models.

Inequalities and human rights

9. We continue to focus on the following priorities related to the work programme:
 - a) **Audit guidance** – In line with the Commission's equality outcomes 2021-25 we have ring-fenced time in February/March 2022 to update the Audit Management Framework (AMF) to integrate reference to equalities more robustly.
 - b) **Equalities monitoring** – We have developed a process for gathering equalities and human rights related findings in our audit work and this will feed into our interim equality mainstreaming report due next spring.

Consultation and engagement

10. In line with the Accounts Commission's statutory requirement to consult with local authority stakeholders before undertaking any performance audit studies under Section 97A of the Local Government (Scotland) Act 1973, the Accounts Commission's support team is proposing to lead a consultation in January. This will involve consulting over 100 stakeholders, including council chief executives, chief officers from Integration Authorities, trade unions and third sector representatives, and Audit Scotland's Equalities and Human Rights Advisory Group and Community Empowerment Advisory Group. The Accounts Commission's support team aims to share initial outcomes from the consultation at the March Accounts Commission meeting. The Accounts Commission will also be able to consider its response to the consultation and other engagement activities as part of its ongoing discussions about the work programme.
11. More widely, we are working with the Accounts Commission support team to consider how the AGS' and Accounts Commission's planned stakeholder engagement activities on the work programme align with each other, in line with the Accounts Commission's draft Communications and Engagement Strategy. We will look to identify opportunities to collaborate on planned engagement, where appropriate. This includes with the public, third and voluntary sector, and Scottish Government and Parliament.

Conclusion

12. The Commission is asked to:
 - a) Note the progress delivering the work programme from August to November and the planned products up to June 2022.
 - b) Discuss and agree the proposed changes to the programme, summarised on slides 12-14 of Appendix one.

- c) Discuss and agree the audit work in the pipeline for July 2022 onwards, summarised on slides 15 and 16 of Appendix one, noting that this is flexible and can be revisited as part of the next update in March.
- d) Agree to delegate to the Interim Chair and Interim Deputy Chair final approval for this update at a joint meeting with the AGS on 16 December 2022.
- e) Agree the Accounts Commission support team's proposal to consult with local government stakeholders on the work programme.

Antony Clark
Interim Director of Performance Audit and Best Value
29 November 2021

Dynamic work programme – Update

November 2021

AUDITOR GENERAL 

ACCOUNTS COMMISSION 

- Programme is comprehensive and ambitious. Our delivery and impact so far this year has been impressive. But we continue to run hot, resources and capacity wise, and this is creating risks around contingency planning.
- We can add smaller products to the programme but only if they are scheduled for next Spring (not right now). We have proposed timings in slide 12. If you want to bring the timing forward, then we would need to delay the timing of a product already in the schedule to accommodate.
- Similarly if you would like to bring forward the timing of anything in the programme from July 2022 onwards (slides 13 and 14) then we would need remove products from the proposed additions list.
- We are seeing the impact of delays to financial audit to products like Section 22 reports and the local government overviews. This is making audit work take longer and is having a knock on impact on scheduling and resourcing work into 2022/23.
- We are managing the publications schedule and resourcing plans closely. The local government election publication moratorium is having an impact on scheduling reports in Spring 2022.

What guides our planning and delivery...

Providing assurance and driving improvement

We will use our unique local and national perspective to provide assurance about how Scotland's public services are responding to Covid-19. We will aim to provide insight and learning, and drive improvement, innovation and transformational change as Scotland moves towards recovery and renewal.

Taking a person-centred approach

Where possible and appropriate, we will capture the needs and concerns of the people who use public services through our audit work.

Integrating cross cutting issues

We will integrate thinking on issues that cut across policy areas and have an impact on citizens and service users throughout our audit work. For example: prevention, digital, inequality and human rights, climate change, community engagement

Taking a risk-based and proportionate approach

We recognise the potential impact of audit work on people working in public services who are still responding to Covid-19. We will ensure our audit response is proportionate and risk-based, and that audited bodies have clear advance notice of any planned work.

Being flexible and agile

We will adapt our work programme as new issues emerge or risks change. We will use a range of approaches to report our audit work.

£ ECONOMIC RECOVERY AND GROWTH

How public money is being used to support economic recovery and the renewal of public services

- Public finances
- Supporting jobs, business and enterprise
- Skills and training
- Infrastructure investment and low carbon economy
- Impact of EU withdrawal

GOVERNANCE AND ACCOUNTABILITY



How public bodies are ensuring proper and effective use of public money across the public sector and within individual bodies

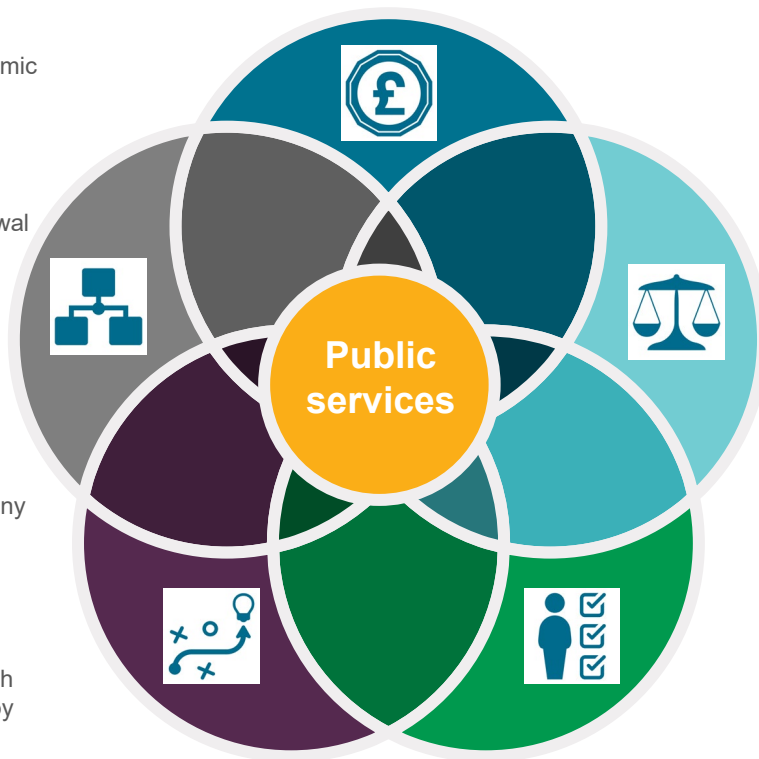
- Following the pandemic pound
- Collaborative leadership
- Annual audits
- Fraud risks
- Effective scrutiny



INNOVATION AND TRANSFORMATION

How public bodies are learning through continuous improvement, innovation and by transforming public services

- Local government
- NHS
- Best Value
- Service redesign
- Digital transformation
- Workforce planning



INEQUALITIES AND HUMAN RIGHTS



How Covid-19 is impacting on different groups in society, focusing on the risk of deepening existing inequalities. Helping ensure public bodies address inequalities and protect human rights, recognising the multiple ways people experience disadvantage and poorer outcomes.

- Child poverty
- Children and young people with additional support needs
- Care experienced children and young people
- Mental health
- Housing benefit
- Digital exclusion
- Social security



POLICY PRIORITIES AND COMMITMENTS

Progress on key policy commitments. Public services' ability to deliver on long-term strategic priorities and outcomes

- Health and social care integration
- Early learning and childcare
- School education
- Community empowerment
- Community justice
- Courts backlogs
- Climate change

What we've delivered: August to November

Best Value Assurance Reports

East Dunbartonshire

South Ayrshire

Briefings

Vaccinations programme

Statutory reports

NHS National Services Scotland

Crofting Commission

Other audit products

Risks and issues facing the Scottish public sector

Tracking the implications of Covid-19 on Scotland's public finances

The impact of Covid-19 on Scottish councils' benefit services

Auditing climate change: An update

Community empowerment Covid-19 update

Blogs

Child and Adolescent Mental Health Services

Christie's clarion call can't wait another decade

Digital exclusion

Christie - it really is now or never

Housing Benefit Performance Audit – Annual Update

Key:

Auditor General for Scotland

Accounts Commission

Joint – Auditor General and Accounts Commission

Audit Scotland

What's coming up: December to June*

(Auditor General)

AUDITOR GENERAL ✓

ACCOUNTS COMMISSION ✓

Overview reports

NHS in Scotland 2021 (Feb)

Performance audits

Investing in skills (Jan)

New ferries for the Clyde and Hebrides (Mar)

Social security:
Implementation of devolved powers (May)

Briefings

Infrastructure Investment Plan and strategic capital investment (Q1 TBC)

Section 22s

National Records of Scotland (Dec)

Bord na Gaidhlig (Dec)

NHS Highland (Dec)

Scottish Government consolidated accounts (Dec)

Commissioner for Ethical Standards in Public Life (Dec)

Scottish Environment Protection Agency (Feb)

Other audit products

Climate change pilot: Transport Scotland AAR 2020/21 (Jan)

Administration of Scottish Income Tax: Report (Jan)

Digital connectivity: R100 update (Q4 TBC)

Scotland's colleges 2022 (May)

*Months in brackets in tables are proposed publication months

What's coming up: December to June*

(Accounts Commission)

Overview reports

Local government finances 2021 (Mar)

Financial analysis of IJBs 2020/21 (May)

Challenges and performance LGO 2022 (May)

Best Value Assurance Reports

Falkirk Council (Jan)

Moray Council follow up (Mar)

Angus Council (Jun)

Briefings

Climate Change: Local government targets and plans (Jun)

Other audit products

SPI Direction (Dec)

Annual Assurance and Risk Report (Mar)

Services for children with additional support needs (May)

Statutory reports

Section 102s – Controller of Audit may decide to bring to the Commission's attention any significant issues from the auditing of the accounts of local government bodies

*Months in brackets in tables are proposed publication months

What's coming up: December to June*

(Auditor General and Accounts Commission)

AUDITOR GENERAL 

ACCOUNTS COMMISSION 

Performance audits

Reviewing Scotland's financial response to the Covid-19 pandemic (May)

Briefings

Social care (Jan)

Scotland's economy: Supporting businesses through the Covid-19 pandemic and planning Scotland's economic recovery (Feb)

Other audit products

Drugs and alcohol (Feb)

Child poverty (May)

*Months in brackets in tables are proposed publication months

-
- Audit Scotland will deliver the following to complement the joint work programme:
 - Climate Change: Baseline review (Feb 22)
 - E-hub: Lifelong learning (Mar 22)
 - Audit Scotland is also maintaining a national database of UK and Scottish Covid-19 funding announcements to inform all Following the Pandemic Pound products across the joint work programme

Sector	Number of opinions required	Deadline	Accounts certified (as at 15/11)	Percentage complete (as at 15/11)	Percentage on time (as at 15/11)
Health	23	30/09/21	23	100%	100%
Central government – Agencies, NMDs and Scottish Water	23	30/09/21	17	76%	52%
Central government – NDPBs and similar	56	31/10/21	40	71%	68%
Local government	104	30/11/21	61	59%	TBC
Further education	21	31/12/21	0	0%	0%
Total	227				

- Generally this year has been tougher than last year:
 - 100% remote audit rather than just financial statements
 - Late start to this year's audit
 - Additional Covid-19 expenditure and funding streams being audited this year
 - Fatigue for finance teams and audit teams
- Some local government audits will miss their deadlines
- Some central government audits may miss the statutory deadline for laying accounts in Parliament
- Weaknesses in internal controls in some bodies (largely, but not all, due to Covid-19) resulting in extra audit work
- Key areas of focus:
 - More audit adjustments than usual
 - Valuation of non-current assets – particularly in local government for assets not revalued in-year
 - Classification of ALEOs in local government between subsidiary and associate

Summary of proposed changes to 2021/22 programme

Change	Detail
Delaying	Social care (Joint): We originally planned to publish this briefing in November 2021 but have pushed it back to January 2022 to focus resources on responding to the Scottish Government's National Care Service consultation.
	Digital exclusion and connectivity (Joint): We originally planned to start scoping this performance audit in 2021/22 and publish in 2022/23. We are proposing pushing back the scoping until summer 2022 due to resource availability, which means this audit is more likely to publish in 2023/24. Digital exclusion was covered in the Commission blog in September 2021 and we will deliver a blog on the R100 programme during Q4 2021/22.
	Data governance and ethics (AS): This roundtable was originally planned for Q4 2021/22 and we propose pushing it back to Q2 of 2022/23 due to resource availability.
Removing	Social security (AGS): Agreed with AGS to remove this planned blog from the programme to focus resources on delivering the performance audit on social security and the child poverty product planned for early next year.
	Covid-19 support for businesses (Joint): This product is now part of the planned briefing on Scotland's economy: Supporting businesses through the Covid-19 pandemic and planning Scotland's economic recovery. It is due to publish in February 2022.

Summary of proposed changes to programme

Change	Detail	Proposed timing
Adding	<p>Drugs and alcohol (Joint): This web-based product will offer a public audit perspective on this key area of public policy and service delivery where the Commission and AGS feel urgent improvements in performance are required. It will include several exhibits and cover: mortality and morbidity, funding, an update on recent developments, monitoring and evaluation.</p>	Feb 2022
	<p>Lifelong learning (AS): This e-hub will provide an overview of our work following the learner journey – from early years and school education, to further and higher education and skills provision. It will include links to our reports and other outputs, present exhibits and data, highlight upcoming work and signpost relevant external resources.</p>	Mar 2022
	<p>Child poverty (Joint): This product will highlight the AGS and Commission interest in this topic, connected to their focus on inequalities. We will look at recent data and projections about target implementation, the Scottish Government’s child poverty delivery plan 2022-2026, which is due to publish next March, as well as the human impact of child poverty.</p>	May 2022
	<p>Digital connectivity: R100 update (AGS): This blog will update on the Scottish Government’s R100 programme given there are key milestones at the end of 2021. It will also follow up on the recommendations from our 2018 report on Superfast broadband for Scotland.</p>	Q4 2021/22 TBC
	<p>Services for children with additional support needs (AC): This blog from Stephen Moore will highlight the importance of this area, mark the Commission’s interest in it, and note that we intend to do more targeted work on it in the future.</p>	May 2022

Summary of proposed changes to programme

Change	Detail	Proposed timing
Adding	Climate change pilot: Transport Scotland AAR 2020/21 (AGS): As part of developing our approach to climate change we have included consideration of climate change ambitions and actions in the AAR. Lessons from the pilot will help inform our thinking going forward and any further piloting.	Jan 2022
	Climate Change: Baseline review (AS): This will be a high-level, scene-setting audit product that reviews and summarises the recommendations from climate experts to date in an accessible form. It will highlight the areas where the most improvement is needed and where public sector efforts should be focused.	Feb 2022
	Climate Change: Local government targets and plans (AC): Building on work with the local government overview team, we propose delivering a specific output that considers councils' aims for reducing emissions and increasing climate resilience and how this affects strategic decision making. We intend to bring a scope for this work for the Commission to discuss at its meeting in January 2022, alongside a general update on our climate change plans.	Jun 2022

In the pipeline for 2022/23 and beyond

Area of focus	Latest plans
Best Value Assurance Reports (AC)	<ul style="list-style-type: none">• Shetland Islands Council – August 2022• Comhairle nan Eilean Siar – September 2022• Thematic summary of Best Value best practice examples
Community justice: Sustainable alternatives to custody (Joint)	<p>The recent AGS briefing paper on this topic highlighted that the Scottish Government had not achieved its aim to shift the balance of sentencing from prison to the community. The joint performance audit, which we plan to publish during Q3 2022/23, will extend our audit work, to consider the roles and work of other key stakeholders, including local government and the third sector.</p>
Climate change (AGS / AS)	<p>Building on the baseline review planned for February 2022 we are planning an AGS briefing focused on Scottish Government arrangements for delivering its climate change plan, leadership and progress to date. We are also developing a front-facing accessible data tool (AS) to improve transparency and scrutiny of progress on climate change. It will provide information and data on a range of climate change issues such as progress against emission targets, progress on key policies and milestones and information on adaptations. Both products are planned for Q3 2022/23.</p>
Social care (Joint)	<p>A series of themed performance audits will follow the social care briefing planned for January 2022, with the first planned in Q4 2022/23.</p>

In the pipeline for 2022/23 and beyond

Area of focus	Latest plans
Reviewing Scotland's financial response to the Covid-19 pandemic (Joint)	In 2022/23 we will move into the recovery phase of our approach to following the pandemic pound, which will assess the wider impact on public finances of recovery from a pandemic. A performance audit planned for Winter 2022/23 will look at how budget headings and spending considerations have changed to meet the ongoing response to the pandemic as well as the recovery against backlogs and other costs of dealing with the aftermath of a pandemic.
Mental health (Joint)	We are proposing to undertake a performance audit on adult mental health services. We will start scoping this in January and plan to report during Q4 2022/23.
Early learning and childcare (Joint)	The next audit in this series will look at whether the expansion in funded early learning and childcare was delivered as planned and how much it cost. We plan to report in Q4 2022/23.
Digital exclusion and connectivity (Joint)	We are planning to publish a performance audit in 2023/24 on how the public sector is addressing digital exclusion and connectivity. We will also continue to look at digital exclusion through other audit work, such as overviews and our community empowerment work.
Child poverty (Joint)	In 2023/24 we plan to look at the progress made in achieving interim targets within the Child Poverty (Scotland) Act 2017. This will include looking at any additional plans and actions the Scottish Government is putting in place with local government and their partners to mitigate the new risks in this area created by Covid-19.

MEETING: 9 DECEMBER 2021

REPORT BY: SECRETARY TO THE COMMISSION

SECRETARY'S UPDATE REPORT

Purpose

1. The purpose of this report is to provide an update to the Commission on significant recent activity relating to local government, including issues relating to Covid-19.
2. The Commission receives regular information to complement this report, which is available through the [members' SharePoint site](#). This includes:
 - The Controller of Audit report to the Commission, updating the Commission on his activity.
 - An update on issues relating to local government which is considered by the Commission's Financial Audit and Assurance Committee.
 - A weekly news coverage briefing provided to the Commission by Audit Scotland's Communication Team.

Commission business

Publications and activities

3. Audit Scotland collects media coverage on all reports published by the Accounts Commission. [Appendix 1](#) provides download and view statistics for the Commission's published reports and blogs over the last 12 months, as of 31 October 2021.
4. In relation to social media, with fewer outputs published this month, it was a relatively quieter period, although the number of video views increased following the Commission [paying tribute](#) to longstanding member Pauline Weetman at its meeting on 11 November. The Communications team also repromoted the joint [Community empowerment update](#) and the [Auditing climate change update](#) and the upcoming 2022 Local Government Overviews were trailed. [Appendix 2](#) provides additional information on the overall engagement that reports and other business have received on social media.
5. On 4 November, the Accounts Commission, Audit Scotland and Auditor General [published](#) a joint response to the Scottish Government's National Care Service consultation. This reached 9,111 social medial users, with an engagement rate of 3.9 per cent on [Twitter](#). Engagement rates over 2 per cent are considered strong.
6. On 9 November, the Accounts Commission issued its four-monthly [newsletter](#) to 113 community groups and third sector organisations that have signed up to receive updates from the Commission. The newsletter was also forwarded to 387 community council contacts, who were asked whether they would like to receive future updates from the Commission.
7. On 16 November, following giving evidence to the Education, Children and Young People Committee, Sharon O'Connor of the Accounts Commission and the Auditor

General jointly wrote to Mr Fergus Ewing MSP in response to points he raised about providing services in rural areas. The letter has been saved on the [members SharePoint site](#). The response identified a number of published reports which reference additional challenges and costs of providing services. The response also references the funding formulas used by the Scottish Government in relation to local government and the NHS. The inclusion of inequalities, including rural inequalities is also identified as an area of focus of audit work.

8. On 17 November, following giving evidence to the Education, Children and Young People Committee, Sharon O'Connor, member of the Commission and the Auditor General jointly [wrote](#) to the Convener to provide further information on the extent to which curriculum planning was happening in college regions. The letter also provided information relating to how much money is spent by local authorities on PFI contracts for the school estate.
9. On 24 November, Interim Chair Elma Murray jointly chaired a roundtable with the Improvement Service for council chief executives, as part of work on the 2022 financial local government overview report.
10. On 25 November, Commission member Andrew Cowie [blogged](#) on the Commission's future reporting on Scotland's housing benefit services. By 26 November it had reached 611 social media users, been viewed 84 times and had an engagement rate of 5.7 per cent on Twitter. Engagement rates over 2 per cent are considered strong.

Forthcoming publications and activities

11. During December, the following activities are planned:
 - On 1 December, Commission member Sheila Gunn will chair a jointly hosted online [event](#) with the Improvement Service. This is for Education Conveners and Directors of Education from Scottish local authorities to consider the findings from the Commission's joint report with the Auditor General on [Improving outcomes for young people through school education](#). The event will provide participants with the chance to engage with the Accounts Commission on the key findings of the report, while also hearing from Steven Quinn, Director of Children's Services, Renfrewshire Council, about the challenges of improving outcomes and how they have approached this in Renfrewshire.
 - On 20 December, the Commission will publish a blog by Elma Murray on the revised Statutory Performance Information Direction for councils. This is covered in item 9 on today's agenda.

Other Commission business

12. On 2 November the Scottish Parliament's Health, Social Care and Sport Committee launched its [inquiry into the Health and Wellbeing of Children and Young People](#), with a deadline of 7 December for responses. Given the tight timescales, it was agreed by the Interim Chair that Audit Scotland issue a response on behalf of the Commission and the Auditor General. This will be shared with Commission members once available.
13. At its previous meeting, the Commission agreed, to respond to the Scottish Government's [consultation](#) on the next Fire and Rescue Framework for, which runs until 22 December. The response will be shared with Commission members once available.
14. Members are asked to review the Members' communications schedule on the [members' SharePoint site](#). This includes a list of planned publications and activities for the year, along with indicative roles for members in promotion and engagement activities. This document is live and is updated monthly, following discussion with the Interim Chair and

Audit Scotland's work programme and communications teams. Members are asked to share their thoughts on the schedule, as well as any suggestions for further communications directly to the [schedule](#).

Auditor General

15. On 28 October the Auditor General [wrote](#) to the Public Audit Committee referring it to an Accounts Commission and Audit Scotland update report [Community empowerment: Covid-19 update](#). He notes that the Committee may wish to consider this briefing as part of its work programme.
16. On 30 November the Auditor General [published](#) a section 22 report¹ on the 2020/21 audit of National Records of Scotland. It notes that Scotland's census has faced considerable challenges and is expected to cost £21.6 million more than originally planned.

Audit Scotland

17. On 8 November, the Interim Controller of Audit [wrote](#) to the Strategy Review team in the Scottish Government's Community Justice Division with a response to the consultation on the National Strategy for Community Justice review. Commission members provided comments on the paper through the MS Teams channel in October. The final response has been saved on the [members SharePoint site](#).
18. On 9 November Audit Scotland [published](#) an announcement that Chief Operating Officer, Diane McGiffen will be leaving Audit Scotland after more than 20 years working in public audit to take up the post of Chief Executive of the Law Society Scotland from 5 January 2022.
19. In November, Audit Scotland held the following events as part of its insight programme:
 - On 8 November, Audit Scotland's Green Future Team took part in a session exploring Scotland's public sector response to the climate emergency with George Tarvit, Director of the Sustainable Scotland Network, based within the Edinburgh Climate Change Institute. The session was recorded and is available for members to view on the Audit Scotland's [intranet](#).
 - On 10 November, Director of Audit Services, Fiona Kordiak hosted a keynote event, *What does the future look like for the audit profession?* With representatives from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Institute of Chartered Accountants in England and Wales (ICAEW). The session was recorded and is available for members to view on Audit Scotland's [intranet](#).
 - On 11 November, MND Scotland explored the charity's experiences of the pandemic. The session was recorded and is available for members to view on Audit Scotland's [intranet](#).
 - On 23 November Fiona Kordiak, Director of Audit Services hosted an event with the PCS trade union to consider the desirability, feasibility and impact of a shorter working week. Autonomy and PCS consulted with over 2,500 people across the Scottish Government and published findings in this [report](#) which received considerable media attention at the time. The session was recorded and is

¹ Section 22 reports are prepared by the Auditor General if any specific concerns or issues have been raised in the annual audit of one of the public bodies for which he is responsible. This is done under Section 22(3) of the Public Finance and Accountability (Scotland) Act 2000.

available for members to view on Audit Scotland's [intranet](#).

- On 24 November, Tricia Meldrum, hosted a panel of experts from Who Cares Scotland?, The Promise, the Fostering Network and Edinburgh City Council for the Insight event *How has Covid-19 impacted on Scotland's care experienced community?* The session was recorded and is available for members to view on Audit Scotland's [intranet](#).
20. On 12 November Audit Scotland [published](#) its annual diversity report 2020/21 with information about the diversity of staff as at 31 March 2021.
 21. On 12 November Audit Scotland [published](#) an Equality Impact Assessment on changes in working practice: Hybrid working (office/home)
 22. On 23 November an Audit Scotland knowledge café was held with Scottish Government School of Social Science PHD student Nokwazi Makanya presenting her research and findings on the differences, challenges and opportunities faced by Scotland's regional economies. The session was recorded and the link will be shared with members once this is ready.
 23. On 24 November Audit Scotland [published](#) its strategy on international work for 2021-24.
 24. On 26 November Audit Scotland [published](#) its Environment, Sustainability and biodiversity annual report for 2020/21 outlining progress on reducing carbon emissions and managing climate change activity.
 25. Links to a number of Audit Scotland's internal Insight events taking place over the next month have been shared with members. This includes:
 - On 1 December, Elaine Boyd, Associate Director, for Audit Quality and Appointments and ambassador for the Open University to support learning and employment opportunities for people with disabilities, will host a panel of experts on how to create accessible and inclusive workplaces for people with disabilities.
 - On 8 December, Chief Operating Officer, Diane McGiffen will be joined by representatives from the Institute for Public Policy Research (IPPR) Scotland, and Heriot-Watt University to discuss how we work in a post-pandemic Scotland and the potential for technology to transform workplaces and how public services are delivered.
 - On 13 December the Data Analytics team will introduce Audit Scotland's new financial ledger analytics tool.

Issues affecting Scottish local government

Scottish Government

26. On 10 November the Scottish Government [published](#) the draft Fourth National Planning Framework alongside a [consultation](#) which runs until Thursday 31 March and an accompanying [explanatory report](#) on the framework's Housing Land Requirement. Under the new proposals, planning applications will have to show how they help meet Scotland's ambitious targets to cut emissions to net zero by 2045. We will report further to the Commission in this regard following liaison with colleagues in Audit Scotland.
27. On 15 November the Scottish Government opened a [consultation](#) about changes to bail and remand and release from custody and closes on 15 February 2022. It plans on changing bail law so people who do not pose a risk of serious harm are managed safely

in the community and given the policy focus. As this is policy-focused, Audit Scotland are not issuing a response and it is proposed that the Commission does not respond either.

28. On 16 November, the Scottish Government [announced](#) that more than £1 million had been allocated under the Public Library Covid Relief Fund to support 23 projects that are re-connecting communities with their libraries.
29. On 17 November the Circular Economy Minister [announced](#) the next steps in creating a circular economy in Scotland. These included:
 - a review of the role of incineration in the waste hierarchy.
 - requiring planning authorities to notify Scottish Ministers of any applications or decision involving incineration facilities until the end of the review period.
 - announcing the first round of funding through the Scottish Government's £70 million Recycling Improvement Fund which has awarded over £7 million to seven local authorities – Aberdeenshire, East Lothian, Fife, Highland, Midlothian, North Ayrshire and South Ayrshire.
30. On 18 November the Scottish Government [announced](#) that John Paul Marks had been appointed Permanent Secretary to the Scottish Government and would take up post on 5 January 2022. He joins the Scottish Government from the Department for Work and Pensions (DWP) where he was Director General, Work and Health Services.
31. On 19 November the Scottish Government published a [progress report](#) on actions taken to support and promote the human rights of children in Scotland from 2018-2021, an [action](#) plan 2021 to 2024 and new [guidance](#) developed in partnership with public authorities and the third sector, for those delivering public services, on how to consider the United Nations Convention on the Rights of the Child (UNCRC). The progress report is the second such report setting out:
 1. The measures taken to progress of the Action Plan's strategic priorities over the period 2018-2021.
 2. The measures taken to ensure the human rights of children and young people are at the heart of the Government's response to the Covid-19 crisis and recovery.
 3. The key policy initiatives and measures undertaken between 2018-2021 to give further effect to the UNCRC.
 4. An Annex to the report includes a list of policy specific initiatives currently being progressed across the Scottish Government relevant to the rights of the child, taking forward the mainstreaming of children's rights across the Scottish Government and ensuring the principles of the UNCRC accounted for in the development of legislation, policies, strategic frameworks, action plans and other key initiatives.
32. On 23 November the Scottish Government [published](#) their formal response to the Citizens' Assembly of Scotland's *Doing Politics Differently* report that had been [published](#) in January 2021. The response sets out the government's plans for the Citizens' Assembly of Scotland's identified priorities and 60 recommendations and includes references to local authorities in recommendations relating to the priority groupings of Incomes and poverty, young people and further powers.

Local government general

33. During November, the Scottish Government [published](#) an independent report on the Scottish Crown Estate's net revenue by local authority. Net revenues have been distributed to coastal local authorities since 2019.

Health and social care

34. On 12 November the Scottish Government [published](#) a 2021 update report, prepared by the Digital Health & Care Directorate, on the scale-up and adoption of digital health and care solutions in Scotland, in response to the Covid pandemic.
35. On 15 November the Scottish Government [announced](#) funding of £7 million to improve GP surgeries, expanding the level of care to patients across Scotland. £5 million from the Primary Care Fund in 2021/22 has been set aside for improvements to existing GP premises such as grants for contractors, work to improve ventilation and the digitalisation of paper records to increase clinical space. An additional £2 million will enable Health Boards to acquire new sites to accommodate multi-disciplinary teams and enable Integration Authorities to take over vacant high street units to expand the primary care estate where appropriate.
36. On 16 November the Scottish Government [announced](#) the launch of a new phone service that will see trained staff stay on the line while people use drugs to ensure they remain safe. Run by the charity 'We are with you' and backed by £100,000 Scottish Government funding, the service is the first of its kind in Europe and will be trialed in Glasgow, and North and South Ayrshire.

Education

37. On 22 November the Scottish Public Pensions Agency announced a [consultation](#) on draft regulations to amend the Scottish Teachers' pension schemes with a deadline of 16 January 2022. The audit team has advised that no response is required. It is proposed that the Commission does not respond.
38. On 23 November the Education Secretary [announced](#) plans for the next phase of the £1bn Scottish Attainment Challenge. Recognising the impact of the pandemic and poverty on pupils across the country, a redesigned approach to the Challenge will see funding of £43 million extended to all of Scotland's local authorities to help tackle the attainment gap and support education recovery. A COSLA spokesperson for Children and Young People welcomed the recognition that councils across Scotland will be pivotal in work to tackle the attainment gap. An [article](#) in Holyrood magazine highlights the change will cut funding to the nine challenge authorities which were funded previously. The local authorities affected are Clackmannanshire, Dundee, East Ayrshire, Glasgow, Inverclyde, North Ayrshire, North Lanarkshire, Renfrewshire and West Dunbartonshire.

Welfare

39. On the 10 November, the Scottish Government [published](#) its annual report on the performance of the Scottish social security system. Although the period covered was significantly impacted by the Covid-19 pandemic the Scottish social security system is delivering 11 benefits; seven of which are new and unique to Scotland and the four others replacing UK Government benefits. The report identifies a range of actions undertaken over the year including:
 - actions in response to the Covid-19 pandemic; an additional Coronavirus Carer's Allowance Supplement payment in June; working with DWP to relax some rules around Carer's Allowance eligibility; changes made to protect

access to the Young Carer Grant and legislation relating to the Coronavirus pandemic which were commenced on 1 April 2020 and relaxed timescales in relation to applications, re-determinations and appeal requests.

- updating the following benefits from April 2020; the Carer's Allowance Supplement; the Funeral Support Payment; Young Carer Grant and Carer's Allowance.
 - the introduction of a new form assistance, unavailable elsewhere in the UK; the Child Winter Heating Assistance from November 2020.
 - publishing the second benefit take-up Strategy in October 2021.
40. On 15 November, the Carer's Allowance Supplement (Scotland) Act 2021 received [Royal Assent](#). The new act increases the original payment as set by the Social Security (Scotland) Act 2018 and gives the Scottish Government the ability to increase the amount of a carer's allowance supplement in future.
41. On 22 November the Child Disability Payment [opened](#) for new applications. This is the first of three disability benefits to be introduced by the Scottish Government, replacing the UK Government's Disability Living Allowance for children.

Communities

42. On 5 November the First Minister [announced](#) all young people under the age of 22 years will have access to free bus travel from 31 January 2022. The scheme will be delivered by the Scottish Government in partnership with the Improvement Service, National Entitlement Card Programme Office, Young Scot, local authorities and bus operators to help Scotland reach its net zero targets by 2045. The Improvement Service also [published](#) an article summarising the announcement.
43. On 5 November the Scottish Government [published](#) an overview report considering the operation of Multi-agency Public Protection Arrangements (MAPPA) in Scotland and their developments from 2020 to 2021. The arrangements bring together the Police, Scottish Prison Service (SPS), Health and local authorities, in partnership as the Responsible Authorities, to assess and manage the risk posed for certain categories of offenders.
44. On 11 November the Scottish Government [published](#) guidance to assist local authorities in deploying funding to support households experiencing financial insecurity over the winter 2021-2022.

Economy and Business

45. On 19 November the Scottish Government [published](#) its labour market monthly briefing for November 2021 – a summary of employment, unemployment and economic inactivity sourced from the Labour Force Survey and other labour market statistics from a range of official sources for Scotland and the UK. Some of the information is broken down into Scottish local authority areas. On the 16 November SPICe [published](#) an overview of the labour market for Scotland in November.

Covid-19 measures

46. On 1 November, the Scottish Government [published](#) details of its marketing campaign on TV and radio encouraging everyone who is eligible for either or both of the flu and Covid-19 booster vaccinations to take up the offer when invited.
47. On 1 November the Scottish Government [announced](#) that the military is to support the

national autumn/winter vaccination programme to increase capacity.

48. On 15 November the Scottish Government [launched](#) a portal to allow those aged 50 to 59, unpaid carers who are 16 and over, and over-16s who are household contacts of immunosuppressed individuals to book a booster appointment. It has subsequently been [announced](#) that from 27 November those aged 40 to 49 can also now book a booster appointment.
49. On 16 November the Scottish Government [published](#) an updated strategic Covid-19 framework ahead of anticipated winter health challenges and potential reductions in Covid-19 vaccine effectiveness.
50. On 23 November the Scottish Government [announced](#) from the 6 December people attending venues covered by Scotland's Covid certification scheme will be given the option of providing a recent negative lateral flow test, as an alternative to proof of vaccination.
51. On 26 November the Scottish Government [published](#) an update on international travel and quarantine rules for travellers arriving in Scotland from abroad starting from 30 November. It follows the recent UK Government announcement that South Africa, Botswana, Lesotho, Eswatini, Zimbabwe and Namibia have been added to the red list for the UK's international travel restrictions.

Climate emergency

52. On 7 November the Scottish Government [announced](#) the seven towns chosen to help tackle the impact of climate change and secure a just transition to net zero through the Climate Action Towns programme are Alness, Annan, Blackburn, Campbeltown, Holytown, Invergordon and Stevenston. The programme will be delivered by design agency Architecture and Design Scotland, with funding from the Scottish Government and collaboration between local people and agencies.
53. On 10 November the Scottish Government [signed](#) five international agreements supporting the global decarbonisation of the transport sector. The agreements signed include the 'Further, Faster, Together' Under2 Coalition Leaders Action Document – committing 100per cent of light-duty public fleet vehicles to be zero emission by 2035.
54. On 11 November the Scottish Government [announced](#) new regulations to ban single use plastic items from 1 June 2022.
55. On 11 November the First Minister [confirmed](#) the Scottish Government will increase its fund for climate justice by a further 50per cent on top of the previous commitment to double the fund as part of Scotland's response to climate change.
56. On 17 November the Scottish Government [announced](#) an additional £18 million will be available this year to help householders install energy efficient measures and reduce their heating bills.
57. On 24 November the Net Zero, Energy & Transport Committee launched a [consultation](#) looking at the role of local government and its partners in delivering net zero and closes 21 January 2022. It is proposed that the Commission responds.

Scottish Parliament

58. In November, SPICe published:
 - A [briefing](#) exploring the views of employers' representative organisations (EROs) to current structures of social dialogue in Scotland with a focus on skills

and training.

- A [blog](#) looking at the role of Scottish local authorities in resettlement of refugees.
- A [blog](#) providing an update on UK government funding of economic development in Scotland. It specifically considers three funds; the community renewal fund; the levelling up fund and community ownership fund, detailing funding values by local authority area.
- A central [hub](#) for all SPICe material related to COP26 and climate change, including:
 - A [blog](#) considering the role of Parliaments in tackling the Climate and Ecological emergencies.
 - A [blog](#) considering what COP26 has to do with the Scottish Parliament.
 - A [blogpost](#) exploring what gender equality could mean in relation to climate action in Scotland, across selected areas.
 - A [blog](#) on what the key agreements (and disagreements) have been and to summarise the outcome of the negotiations and the Glasgow Climate Pact.
 - A [blog](#) summarising the outcomes of COP26.

Parliamentary Committee news

Public Audit Committee

59. On 4 November the Auditor General and Senior Manager Graeme Greenhill gave [evidence](#) on the [Crofting Commission section 22 report](#).² Afterwards the Auditor General and audit team gave evidence on the [NHS National Services Scotland section 22 report](#) and a [briefing on personal protective equipment](#).
60. On 9 November the Auditor General [wrote](#) to the Public Audit Committee in response to the committee's [letter](#) asking that further audit work on child and adolescent mental health services (CAMHS) be considered in the work programme.
61. On 25 November the Auditor General [gave evidence](#) alongside representatives from community and third sector organisations on the joint Accounts Commission and Audit Scotland update report [Community empowerment: Covid-19 update](#).

Local Government, Housing and Planning Committee

62. In November, the Committee [took evidence](#) on and considered: the Local Governance Review (specifically on 'understanding barriers to local elected office'); the National Planning Framework 4; and retrofitting housing for net-zero.

Finance and Public Administration Committee

63. On 9 November the Auditor General gave [evidence](#) on public service reform and the Christie Commission.
64. In November, the Committee also [took evidence](#) on and considered: pre-budget scrutiny;

² Section 22 reports are prepared by the Auditor General if any specific concerns or issues have been raised in the annual audit of one of the public bodies for which he is responsible. This is done under Section 22(3) of the Public Finance and Accountability (Scotland) Act 2000.

subordinate legislation; the impact of Covid-19 and the committee works programme.

Covid-19 Recovery Committee

65. In November, the Committee [took evidence](#) on and considered: subordinate legislation; the Covid-19 recovery strategy and baseline health protection measures.
66. In November the Committee also [published](#) a call for views on the Coronavirus (Discretionary Compensation for Self-isolation) (Scotland) Bill. The two key questions are whether respondents agree with the bill and whether there are any other issues related to the bill of which the committee should be aware.

Constitution, Europe, External Affairs and Culture Committee

67. In November the Committee [took evidence](#) on: the work programme; the UK internal market inquiry; the Continuity Act and inquiry into the Scottish Government's international work.

Social Justice and Social Security Committee

68. In November the Committee [took evidence](#) on and considered: its session 6 priorities for homelessness and rough sleeping; the work programme; subordinate legislation; a proposed Scottish Employment Injuries Advisory Council bill; the benefit take-up strategy and proposed fuel poverty strategy.

Local government news

69. On 12 November, Councillor Shona Haslam [announced](#) she will be stepping down from her role as the leader of Scottish Borders Council. She will remain a Conservative councillor until elections in May next year, having stated ambitions to lead a new think tank focused on building stronger communities in Scotland. On the 25 November the Council [announced](#) that Councillor Mark Rowley had been appointed to replace her as the new leader of the Council.
70. On 12 November, Renfrewshire Council [announced](#) the appointment of Alan Russell as its new Chief Executive. Mr Russell is currently responsible for the council's Finance and Resources Department and will take up post at the end of November.

COSLA

71. On 12 November, COSLA [published](#) its response to the National Care Service consultation, saying positive change is needed to tackle long standing issues in the care sector, but the creation of a National Care Service is not the way to achieve it.
72. On 15 November, COSLA [published](#) details of its budget lobbying campaign called *Live Well Locally*, urging the Scottish Government to increase levels of local government funding to ensure councils have adequate resources. Additional [news](#) items throughout November highlighted the range of services provided by local government and called on the Scottish Government to provide adequate funding ahead of the budget.

Improvement Service

73. During November the Improvement Service [published](#) details of the *Shaping Places for Wellbeing Programme* which is a delivery partnership between the Improvement Service and Public Health Scotland, funded and supported by the Health Foundation and Scottish Government with support from COSLA. The ambition of the programme is to improve Scotland's wellbeing and reduce inequalities through enabling partnership-based system-wide action at a local level, supporting local authorities and their partners

to deliver Scotland's Public Health Priorities. Four communities in Alloa, Ayr, Dunoon and Clydebank are being supported initially.

74. On 29 November the Improvement Service [published](#) the results of its National Instrumental Music Survey for 2021 which shows the continued popularity and resilience of these services, even during the pandemic.

SOLACE

75. On 27 October, SOLACE UK [published](#) a statement in response to the Budget and Spending Review 2021.
76. On 4 November SOLACE issued its [response](#) to the Scottish Government's consultation on the National Care Service, highlighting the significance of the proposals and therefore the time required to get it right; concerns about the lack of consultation with local government; the short timescale; the presentation of only one alternative model; and significant areas of ambiguity.

Scottish Public Sector Ombudsman (SPSO)

77. On 17 November the SPSO [published](#) their November newsletter, outlining statistics on complaints and learning points from decision reports, statistics on Scottish Welfare Fund reviews and case studies.

Care Inspectorate

78. On 8 November the Care Inspectorate [launched](#) a consultation on the review of their strategic outcomes that will shape the new Corporate Plan, which will cover the three-year period from 2022 – 2025. The consultation ran until 21 November.
79. On 16 November the Care Inspectorate [published](#) a joint inspection report of Adult Support and Protection in South Ayrshire. It found some strengths in processes but also important areas of weakness in key processes and strategic leadership and listed substantial areas for improvement.
80. On 23 November, the Care Inspectorate [published](#) a joint inspection report of Adult Support and Protection in Dumfries and Galloway. It found Dumfries and Galloway has clear strengths ensuring adults at risk of harm are safe, protected and supported and that there was a clear collaborative ethos across the partnership. The inspection also identified areas where improvements could be made including timescales of key processes being inconsistently met which resulted in poor outcomes for a small but significant number of adults; that medical examinations should be completed in line with the needs of the adults at risk; and that front-line staff should be more directly involved in self-evaluation and improvement activity.

Scottish public policy news

81. On 29 October the David Hume Institute [published](#) a briefing on levelling up high speed broadband infrastructure in Scotland and calls on the UK and Scottish governments to work together with commercial partners to increase superfast broadband provision and deliver reliable high-speed connectivity across Scotland.
82. On 29 October the Mental Welfare Commission for Scotland [published](#) its young people monitoring report for 2020-21. The report finds there were 86 admissions of young people under the age of 18 to non-specialist, mostly adult, hospital wards for mental health treatment in the previous year. This is a fall from 2019-20 where there were 103 admissions, but the report stresses these numbers are not directly comparable due to Covid-19 restrictions.

83. On 1 November the Fraser of Allander Institute (FAI) [published](#) an article taken from the recent [FAI economic commentary](#). It considers how Scotland is performing on its commitment to net zero emissions by 2045 by considering the following three national outcomes - Economy, Communities and Environment.
84. On 2 November Holyrood [published](#) an article outlining how Scotland Excel is helping councils make more informed and sustainable choices through its procurement contracts and sourcing strategies.
85. On 10 November Scottish Enterprise [announced](#) it has commissioned an international collaboration project, Scot2ger, which will explore future export opportunities for Scotland's green hydrogen.
86. On 23 November Public Health Scotland [published](#) figures which show those living in the most deprived areas in Scotland were around three times more likely to experience inpatient mental health care than their wealthier counterparts. There is an interactive [online tool](#) that presents data broken down by council area of residence.
87. On 24 November the Fraser of Allander Institute [published](#) details of a new research project commissioned by ClimateXchange commissioned on behalf of the Scottish Government as part of a Joint Budget Review with the Scottish Parliament, which aims to improve the transparency with which climate change is considered in the Scottish Budget. The project will explore options for assessing the carbon impacts of policies and aims to improve how greenhouse gas emissions are considered in the development of Scottish Budgets and spending decisions. The project is due to conclude by Summer 2022.
88. In November more than 100 charities, faith groups, trade unions and other organisations [wrote](#) to the Scottish Finance Secretary urging her to use the upcoming budget to double a benefit payment made to poorer families immediately.

Other UK audit bodies

89. On 28 October the National Audit Office (NAO) [published](#) its good practice guide for audit committees to help scrutinise cyber and information security arrangements.
90. On 3 November the Jersey Audit Office published a [report](#) and [good practice guide](#) on annual audit reporting which found an overall improvement from the previous year, and that the Covid-19 pandemic had provided a focus for entities to more clearly describe their purpose and actions and taken during the pandemic. However, the content of most annual reports did not meet best practice
91. On 25 November the NAO [published](#) a report on the financial sustainability of schools in England outlining that overall the financial position of primary schools has been relatively stable but there were signs of financial challenges in secondary schools and that mainstream schools would need to find significant savings to counteract cost pressures.

UK Government

92. On 28 October the UK Government [published](#) the greening government commitments for 2021 to 2025. These set out the actions UK Government departments and their partner organisations will take to reduce their impact on the environment. The new targets include emissions, water use, domestic flights, and new measures on biodiversity, climate adaptation and food waste. The annual report for the greening government commitments from 2019-20 has also been [published](#).
93. On 29 October the Department for Digital, Culture, Media & Sport [published](#) the autumn update for the Project Gigabit Delivery Plan. The report finds the UK is on track for 85per

cent gigabit coverage by 2025 and there has been a significant expansion in commercial plans to deliver gigabit capability. Improved internet connectivity for 570,000 rural premises has been [committed](#), including 3,600 premises in Scotland.

94. On 1 November the Environment Agency [published](#) research on using natural flood management (NFM) to help manage flood and coastal erosion risks. This approach relies on local partnership working and local authorities are identified as one of more than 85 partners in a range of successful projects.
95. On 3 November the UK Department for levelling up, housing and communities [announced](#) a boost of £200 million to help level up communities across the UK. The list of [successful applicants](#) for the first round of levelling up funding, backs projects in Aberdeen City, Highland, Fife and Glasgow City councils. In addition the first successful projects to benefit from the community ownership fund were [published](#) and include projects in Stirling, Dumfries and Galloway, Perth and Kinross and Highland council areas.
96. On 10 November, the Department for Business, Energy and Industrial Strategy and Department for Transport [published](#) the zero emission vehicles transition council action plan for 2022. The action plan outlines priorities across charging infrastructure, fuel efficiency standards and regulations, the pace of transition and ensuring the zero emission vehicles transition is global.
97. On 17 November the UK Government [published](#) details on the workings of the new charging reform framework following the [publication](#) of its build back better plan for adult social care reform in England. From October 2023, the government will introduce an £86,000 cap on the amount anyone in England will need to spend on their personal care over their lifetime.
98. On 23 November the Home Office [announced](#) it will temporarily mandate the National Transfer Scheme for unaccompanied children seeking asylum. It claims there is a need for all local authorities to play a role in housing asylum seekers with the view to providing improved care and reducing the use of temporary accommodation. A start date for mandatory transfers will be confirmed following an initial notice period. The Scottish Government has [expressed concerns](#) at the announcement and plans saying it would mean the end of a rota systems agreed with all 32 Scottish local authorities. COSLA is also [reported](#) to have responded by writing to the home secretary calling for urgent talks following suggestions 31 of 32 Scottish local authorities had refused to participate in the Home Office's asylum seeker dispersal scheme. It claims there is no funding in place to support those seeking asylum, with the widespread use of temporary accommodation a symptom of government policy.
99. On 29 November the Department of Health & Social Care (DHSC) [published](#) details of the Joint Committee on Vaccination and Immunisation (JCVI) who advised the government's booster vaccination programme be extended to everyone aged 18 or older, with a second booster dose to be provided to those who are severely immunosuppressed. It has also recommended a second dose of vaccine be given to those aged 12 to 15 three months after their first, in light of efforts to tackle the risks posed by the emerging Omicron Covid variant.

UK Parliament

100. On 26 October the Housing, Communities & Local Government Committee [published](#) a report on local government and the path to net zero. The report calls on the government to increase its efforts to work with local councils on climate action in housing and planning, low-carbon heating and energy efficiency and criticises a lack of a clear government commitment to increase long-term funding specifically for local authority climate action.

101. On 17 November the Public Accounts Committee [published](#) a report on fraud and error in the benefits system, which found the level almost doubled during the pandemic, with overpayments now making up 7.5 per cent of the DWP's overall benefit expenditure.
102. On 17 November Public Finance also [reported](#) in this regard that of the Public Accounts Committee's criticism of the DWP for a lack of control over fraud and overpayments of Universal Credit which rose to 14.5 per cent of spending last year, the highest level of any income support since records began.

UK public policy news

103. On 28 October the New Economics Foundation [published](#) an analysis which shows the poorest fifth of people would still have been £380 a year better off if the Universal Credit uplift had been retained, despite the boost to Universal Credit outlined in the autumn budget.
104. On 5 November, the Office for National Statistics (ONS) [published](#) findings of a recent survey which suggested 75 per cent of adults in Great Britain are worried about the impact of climate change.
105. On 17 November the Joseph Rowntree Foundation [published](#) findings from its two-year project on in-work poverty. It outlines a series of recommendations, noting a need to introduce new rights to secure work to ensure individuals can plan their family life and finances, while making flexible working the default for employees.
106. On 17 the Institute for Fiscal Studies [published](#) a briefing note following the publication of the rate of consumer inflation in October. It states figures are significantly higher at 4.2 per cent when compared with September (3.1 per cent) and warns the effects when combined with upcoming tax changes will have a significant impact on living standards.
107. On 22 November Public Finance [reported](#) that HMRC is expected to recoup less than half of the forecast £5.8bn lost through fraud and error on Covid-19 support schemes.
108. During November, the EIS Salaries Committee [rejected](#) the Scottish Government's improved offer of 1.22 per cent pay award and a one-off payment to teachers. Teaching unions had tabled a salary claim of 3-5 per cent.

Conclusion

109. The Commission is invited to:
 - a) Agree that it does not respond to the consultations highlighted at paragraphs 27 and 37.
 - b) Agree that it responds to the consultation highlighted at paragraph 57.
 - c) Note that responses to the consultations in paragraphs 12 and 13 will be shared with members once available.
 - d) Note that we will report further on the consultation in paragraph 26.
 - e) Note this report.

Paul Reilly
Secretary to the Commission
1 December 2021

Appendix 1 - Accounts Commission reports/blogs in past 12 months – downloads and views

Report / Blog	Date	Report downloads/ blog views
Community empowerment: Covid-19 update	28 Oct 21	819
South Ayrshire Best Value Assurance Report	27 Oct 21	165
Auditing climate change: An update	21 Oct 21	254
The role of sponsors in our reporting work	14 Oct 21	125
The impact of Covid-19 on Scottish Councils' benefit services	7 Oct 21	181
Blog: Christie – it really is now or never	4 Oct 21	479
East Dunbartonshire Best Value Assurance Report	29 Sept 21	286 (+160)
Accounts Commission Strategy 2021-26	23 Sept 21	241 (+89)
Blog: Digital exclusion	16 Sept 21	470 (+168)
Blog: Child and Adolescent Mental Health Services	31 Aug 21	869 (+186)
Best Value Assurance Report: Aberdeen City Council	24 Jun 21	732 (+68)
Blog: Public Services and Scotland's Voluntary Sector during Covid-19?	25 Jun 21	403 (+56)
Accounts Commission annual report 2020/21	3 Jun 21	337 (+41)
Social Care: social care reform questions remain	3 Jun 21	1501 (+145)
Local government in Scotland Overview 2021	27 May 21	2,472 (+238)
Equality Outcomes 2021-25	27 Apr 21	472 (+36)
Mainstreaming equality and equality outcomes: progress report 2019-21	27 April 21	438 (+30)
Improving outcomes for young people through school education	23 Mar 21	6,502 (+657)
Local Government in Scotland: Financial Overview 2019/20	26 Jan 21	2,657 (+110)
Digital progress in local government	14 Jan 21	2,903 (+188)
Digital progress in local government – supplement 1 (checklist)	14 Jan 21	341 (*)
Digital progress in local government – supplement 2 (methodology)	14 Jan 21	150 (*)
Housing Benefit Performance audit: annual update 2020	8 Dec 20	358 (*)
Best Value Assurance Report: The City of Edinburgh Council	26 Nov 20	1,621 (+51)
Covid-19 Strategic Scrutiny Group	5 Nov 20	869 (*)

Note: Figures are reported as of 31 October 2021

Key:

(x) Increase in numbers since last month

* This figure is below 30

n/a Not applicable

Appendix 2: Accounts Commission social media engagement data

	Followers	Posting views	Video views	Links accessed	Retweets	Likes	Replies	No. of publications
Nov 21	788 (+10)	6,600	499	32	29	35	0	1
Oct 21	778 (+13)	22,500	316	93	47	97	6	6
Sep 21	765 (+8)	13,600	584	43	35	39	0	3
Aug 21	757 (-1)	11,200	339	48	3	13	0	0
Jul 21	758 (+18)	7,700	24	5	16	26	0	0
Jun 21	740 (+14)	56,900	513	348	113	174	8	1
May 21	726 (+22)	46,300	836	122	95	148	9	1
Apr 21	704 (+3)	3,300	n/a	1	1	0	0	0
Mar 21	701 (+15)	36,100	2,100	76	66	138	10	1
Feb 21	686 (+3)	11,000	307	20	9	10	1	0
Jan 21	683 (+30)	50,000	2,400	128	94	103	9	2
Dec 20	653 (+24)	26,400	688	46	34	47	0	1
Nov 20	639 (+22)	23,400	730	106	49	53	3	2

Figures as of 26 November 2021.

Increase on previous month shown in brackets.

MEETING: 9 DECEMBER 2021

REPORT BY: INTERIM CHAIR OF ACCOUNTS COMMISSION

INTERIM CHAIR'S UPDATE REPORT

Purpose

1. This report provides an update on the engagements and work of the Interim Chair of the Accounts Commission.

Engagement and Audit Scotland business

2. The engagements and work in the period of 1 to 30 November have been as follows:

Audit Scotland Board and Committee meetings

- 9 November – Board Strategic Discussion to consider our Medium-Term Financial Plan and the implications of that.
- 22 November – Audit Scotland Board – The main items of substance covered were a Covid-19 update and discussion; Strategic improvement programme update; Q2 Financial performance and corporate performance reports; a range of budget matters as well as the draft Audit Scotland International Strategy for 21-24, and the Environment, Sustainability and Biodiversity annual report. Copies of the key papers have been loaded onto the Commission's SharePoint site and brought to members attention.

Audit Scotland engagement

- 1 November – Attended the Audit reflections with Professor Pauline Weetman in conversation with Gillian Woolman. This was a Knowledge Café organised by Audit Scotland colleagues and provided an excellent perspective on Pauline's time as a Commission member. It was extremely well hosted by Gillian Woolman, Audit Director.
- 9 & 15 November – Strategic Scrutiny Group pre-meetings with Carol Calder, Audit Director, as we prepared for the meeting on the 16 November.
- 15 November – Pre-meeting with Antony Clark, Interim Controller of Audit and Director of Performance and Best Value, Carol Calder and Gemma Diamond, Audit Directors, in advance of my meeting with Richard Leonard MSP on 17 November.
- 17 November – Monthly catch up with Antony Clark to discuss key areas of work and intelligence and how we work together.
- 18 November – Monthly catch up with Diane McGiffen, Chief Operating Officer. These meetings tend to focus on operational matters and how I work with Audit Scotland Management Team.
- 25 November – New Audit Appointment Steering Group to hear how the tender process has been progressing.

External engagement

- 10 November – Preparatory meeting with Adam Lang from Nesta in advance of Adam presenting at the November Accounts Commission insight session.
- 12 November – Preparatory meeting for the Strategic Scrutiny Group with Bruce Adamson, Children and Young People’s Commissioner, and Gina Wilson, Head of Strategy.
- 17 November – Introductory meeting with Richard Leonard MSP.
- 17 November – Introductory meeting with new East Ayrshire Chief Executive Eddie Fraser, Joe McLachlan, Head of Finance and ICT, and Antony Clark.
- 23 November – Meeting with Ian Bruce, Ethical Standards Commissioner (ESC) and Paul Reilly, Commission Secretary to discuss the ESC plans and strategy.
- 24 November – Insight Event – this event focused on the impact of the pandemic on those who are care-experienced. This was a very powerful event and there is much to think about in relation to our future audit work.
- 29 November – Catch up with Sally Loudon, Chief Executive, COSLA, to discuss how we work together and opportunities for increased engagement.

Commission business, development and support

3. Commission business has been as follows:

- Regular catch ups with Paul Reilly, Secretary to the Commission, and Jillian Elgin, Executive Assistant to the Commission.
- 3 November – Preparatory meeting for November Commission meeting with Antony Clark, Paul Reilly, Tim McKay, Interim Deputy Chair, and Jillian Elgin.
- 11 November – Accounts Commission meeting.
- 11 November – Accounts Commission Insight session with Adam Lang from Nesta.
- 16 November – Strategic Scrutiny Group meeting. We heard from Bruce Adamson, The Children and Young People’s Commissioner, and Gina Wilson, Head of Strategy. As well as considering how we make better use of data in relation to equalities and agreeing a programme of work including the creation of a National Scrutiny Portal. A more detailed update will be provided to members at the January Accounts Commission meeting.
- 17 November – Communications monthly catch up meeting with Paul Reilly, Lucy Carter, Policy Manager, Craig Flannigan and Joanna Mansell, Communications Team, to discuss Accounts Commission communications, engagement and public profile.
- 18 November – Monthly sponsor catch up and issues and investigations discussion with the Local Government Overview team to discuss the approach, timing, and emerging messages for the Local Government Overview due for publication in May.

- 22 November – Forward planning meeting with Tim McKay, Paul Reilly and Lucy Carter to plan up and coming Commission business.
- 24 November – Sponsor catch up with Geraldine Wooley, Stephen Boyle, Auditor General for Scotland and Accountable Officer, and the Supporting businesses through the Covid-19 pandemic team.
- 24 November – I chaired a Local Government Overview (LGO) roundtable with council chief executives which was excellent and insightful.
- 25 November – Financial Audit and Assurance Committee.
- 25 November – Performance Audit Committee.

4. Other areas of work have included:

- The annual development meetings with Commission members started on 24 November and will conclude on 7 December.
- On holiday from 15 October until 9 November when I mostly picked up and responded to emails and queries, as well as attending some of the Insight/Knowledge Café sessions organised by Audit Scotland.
- Commented on and signed off responses to the following:
 - A response to Fergus Ewing MSP to queries following the consideration of the Educational Outcomes report by the Scottish Parliament Education, Children and Young People’s Committee.
 - Commented on a response to the Scottish Parliament’s Health and Sport Committee.

Forthcoming activities

5. My forthcoming engagement activities include:

- 1 December – Accounts Commission preparatory meeting.
- 1 December – Monthly catch up with Stephen Boyle, Auditor General for Scotland.
- 1 December – Monthly catch up with Simon Ebbett, Communications Manager.
- 1 December – Strategic Scrutiny Group post-meeting catch up with Carol Calder, Audit Director, and Tina Yule, Chair of Operational Scrutiny Group.
- 8 December – Communications monthly catch up.
- 8 December – Accounts Commission pre-meeting.
- 9 December – Accounts Commission meeting.

Conclusion

6. The Commission is invited to:
 - a) Note this report and enquire about any areas of interest.
 - b) Consider whether there are any changes that they would wish to see to the format and content of the report for the future.

Elma Murray
Interim Chair
30 November 2021

MEETING: 9 DECEMBER 2021

REPORT BY: INTERIM CONTROLLER OF AUDIT

INTERIM CONTROLLER OF AUDIT UPDATE REPORT

Purpose

1. This report provides an update on my engagement activity during November 2021.

Engagement

2. Please note below my engagements in November:

- **1 November** – Attendance at the memorial service of Robert Black, CBE (ex-Controller of Audit and ex-Auditor General for Scotland).
- **3 November** – Accounts Commission pre-meeting with Interim Chair, Deputy Chair and Secretary to the Commission.
- **3 November** – Bi-monthly meeting with Communications Advisor and Policy Manager to the Commission.
- **4 November** – Monthly engagement meeting with Secretary to the Commission.
- **4 November** – Best Value in IJBs audit update at Scottish Government divisional meeting with Leigh Johnston, Senior Manager, Performance Audit and Best Value (PABV).
- **8 November** – Meeting with Mark McAteer, Director of Strategic Planning, Performance and Communications, Scottish Fire and Rescue Service (SFRS).
- **8 November** – Quarterly engagement meeting with Communications Manager.
- **9 November** – Regular catch-up meeting with Audit Scotland colleagues leading on developing new approaches to auditing Best Value (BV) in councils and Integration Joint Board (IJBs) (Fiona Mitchell-Knight, Carol Calder, and Leigh Johnston).
- **10 November** – Attended Fiona Kordiak’s keynote event ‘What does the future look like for the audit profession?’.
- **11 November** – Accounts Commission meeting.
- **12 November** – UK&I Public Audit Forum (National Audit Office, Northern Ireland Audit Office, Wales Audit Office and Audit Scotland) introduction meeting.
- **15 November** – Pre-meeting with Interim Chair of the Commission and Audit Scotland colleagues ahead of Elma’s meeting with the Public Audit Committee (PAC) Convener, Richard Leonard MSP.
- **15 November** – Audit Scotland Annual Audit Planning Conference.

- **16 November** – Strategic Scrutiny Group meeting.
- **17 November** – Introductory meeting with Interim Chair of the Commission and Eddie Fraser (Chief Executive) and Joe McLachlan (Chief Financial Officer and Head of Finance and Information and Communications Technology) at East Ayrshire Council.
- **17 November** – Monthly engagement meeting with Interim Chair of the Commission.
- **18 November** – Meeting with Pat Kenny, Managing Partner, and Conor Healy, Audit Manager (Deloitte) for an update on issues associated with the audit of the Orkney and Shetland Joint Valuation Board.
- **19 November** – Meeting with Oliver Escobar, University of Edinburgh, to discuss the Local Governance Review, innovations in community engagement, new models of empowering public services, and the impact of digital on governance and social relations.
- **19 November** – Meeting with Paul Johnston, Director-General, Communities, Linda Bauld, Chief Social Policy Adviser, Mary McAllan, Claire Hicks, and Lisa Baird (Scottish Government) with Michael Oliphant to discuss progress with the Scottish Government's Covid-19 Recovery Strategy.
- **19 November** – Meeting with Jennie Barugh and Tim Ellis (Scottish Government Performance and Strategic Outcomes Team) to discuss Scottish Government performance reporting and the National Performance Framework (NPF).
- **22 November** – Regular engagement meeting with Tim McKay as Chair, Financial Audit and Assurance Committee (FAAC).
- **23 November** – Attended Insight event 'Exploring the desirability, feasibility and impact of a shorter working week', hosted by Fiona Kordiak.
- **24 November** – Pre-meetings for FAAC and Performance Audit Committee (PAC).
- **25 November** – FAAC and PAC meetings.
- **25 November** – New Audit Appointments (NAA) Steering Group meeting.
- **29 November** – Quarterly update engagement meeting with Sarah Gadsden, Chief Executive, Improvement Service.
- **30 November** – Sistema Scotland evaluation strategy meeting.

Forthcoming activities

3. My upcoming engagements in December include:

- **1 December** – Accounts Commission pre-meeting with Interim Chair, Deputy Chair and Secretary to the Commission.
- **1 December** – Scottish Leaders Forum (SLF) Accountability and Incentives Action Group.
- **2 December** – Public Audit Forum (PAF) Conference, hosted by Gordon Smail, Audit Director, Professional Support.
- **3 December** – Lynn Hendry, The Hunter Foundation – follow up to August introductory meeting, including discussions about the foundation’s work, new models of public service leadership, service innovation and the role of the third sector.
- **7 December** – Karen Watt, Scottish Funding Council (SFC) – follow up to Sept meeting to discuss the development of SFC’s approach to managing the performance of colleges and universities and reporting on the effectiveness of public investment in Scotland’s Higher Education (HE) and Further Education (FE) sectors in improving outcomes.
- **7 December** – Best Value Working Group (BVWG) meeting.
- **8 December** – Quarterly engagement meeting with Steve Grimmond, Chair, Solace Scotland.
- **8 December** – Keynote event ‘Workplace transformation in the digital age – Where could we go from here?’, hosted by Diane McGiffen who will be joined by Rachel Statham, Senior Research Fellow at the Institute of Public Policy Research (IPPR) Scotland and Professor Lynne Baillie, Director of the Interactive and Trustworthy Technologies Research Group at Heriot-Watt University.
- **9 December** – Accounts Commission meeting.
- **15 December** – Accounts Commission pre-meeting (for January meeting) with Interim Chair, Deputy Chair and Secretary to the Commission.
- **15 December** – Monthly engagement meeting with Interim Chair of the Commission.
- **16 December** – Local Government Sector Forum.
- **16 December** – Joint Work Programme meeting with Auditor General for Scotland (AGS) and Accounts Commission.

Antony Clark
Interim Controller of Audit
23 November 2021